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The Commonwealth of Massachusetts

LEGISLATIVE RESEARCH COUNCIL

Report Relative to

SELECTED PROBLEMS

OF URBAN REHABILITATION

IN MASSACHUSETTS

*For Summary,
See Text in Bold Face Type.*

July 30, 1969

J62

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The Commonwealth of Massachusetts

ORDER AUTHORIZING STUDY

(Senate, No. 1522 of 1967)

Ordered, That the Legislative Research Council be directed to investigate and study optimum approaches to urban decay and the best methods of physical rehabilitation of urban areas. Said study should also investigate the best techniques for the elevation of living standards, income, housing and in general living and social standards of blighted urban areas. Said study should further investigate the correlation of municipal, state and federal efforts. Results of the statistical research and fact-finding should be filed with the clerk of the senate from time to time, but not later than the last Wednesday of December, nineteen hundred and sixty-eight.

Adopted:

By the Senate, December 11, 1967

*By the House of Representatives,
in concurrence, December 28, 1967*

(Unnumbered Joint Order of 1969)

Ordered, That the time be extended to the first Wednesday of April of the current year within which the Legislative Research Council is required to file its reports relative to selected problems of urban rehabilitation in accordance with Senate, No. 1522 of 1967, and relative to an underground shopping complex for Boston in accordance with Senate, No. 1052 of 1968.

Adopted:

By the Senate, January 14, 1969

*By the House of Representatives,
in concurrence, January 15, 1969*

(Unnumbered Joint Order of 1969)

Ordered, That the time be extended to the last Wednesday of July of the current year within which the Legislative Research Council is required to make its reports *relative to selected problems of urban rehabilitation* (Senate, No. 1522 of 1967); to classification of real property (House, No. 4910 of 1968); and to legislative apportionment and reduction of the size of the house of representatives (House, No. 4910 of 1968).

Adopted:

*By the House of Representatives
February 26, 1969*

By the Senate, in concurrence,

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The Commonwealth of Massachusetts

LETTER OF TRANSMITTAL TO THE SENATE AND HOUSE OF REPRESENTATIVES

To the Honorable Senate and House of Representatives:

GENTLEMEN: — The Legislative Research Council submits herewith a report prepared by the Legislative Research Bureau relative to certain selected problems of urban rehabilitation in Massachusetts. The report was required by the joint order, Senate, No. 1522 of 1967, and two unnumbered joint orders of January and February 1969, which are reprinted on the inside of the front cover hereof.

The Legislative Research Bureau is limited by statute to "statistical research and fact-finding." Hence, this report contains factual material only, without recommendations either by the Council or the Bureau. It does not necessarily reflect the opinions of the undersigned members of the Legislative Research Council.

Respectfully submitted,

MEMBERS OF THE LEGISLATIVE RESEARCH COUNCIL

SEN. JOSEPH D. WARD, *Chairman*

REP. JOSEPH B. WALSH, *Vice Chairman*

REP. DAVID J. O'CONNOR

REP. SIDNEY Q. CURTISS

REP. HARRISON CHADWICK

REP. J. HILARY ROCKETT

REP. WALTER W. O'BRIEN

SEN. ANDREA F. NUCIFORO

SEN. JOHN H. PARKER

SEN. ALLAN F. JONES

REP. JOEL S. GREENBERG

REP. CHARLES F. FLAHERTY, JR.

The Commonwealth of Massachusetts

LETTER OF TRANSMITTAL TO THE LEGISLATIVE RESEARCH COUNCIL

To the Members of the Legislative Research Council:

GENTLEMEN: — Senate, No. 1522 of 1967, the joint order of the General Court, reprinted on the inside of the front cover of this report, directed the Legislative Research Council to study (1) optimum approaches relative to urban decay, (2) the best methods of physical rehabilitation of urban areas, (3) the best techniques for elevating living, housing, income and social standards of blighted urban areas, and (4) the correlation of federal, state and local efforts in regard to the foregoing. Staff interviews with the Council Chairman, Senator Joseph D. Ward of Worcester, sponsor of the order, and with other legislators who supported its adoption, revealed a general desire on their part for an evaluation of present federal, state and local programs for eliminating existing urban decay and preventing new decay in our communities.

Early in the course of the study, it became evident that adequate coverage of all the subjects enumerated in the foregoing sweeping study directive, Senate, No. 1522 of 1967, would require much more staff and more time than were available to the Legislative Research Bureau for such purposes. Accordingly, in conducting this study the Bureau has confined its attention to certain selected problems of urban rehabilitation in Massachusetts suggested by federal, state and local authorities in the area of urban renewal and "model cities" as being among the more urgent or more significant matters meriting early legislative consideration and action.

The Legislative Research Bureau thus submits herewith a report in accordance with the legislative directive in Senate, No. 1522 of 1967, subject to the limitations of subject matter indicated above. Its scope and content are restricted to fact-finding only, without recommendations or legislative proposals. The preparation of this report was primarily the responsibility of James H. Powers of the Bureau staff.

Grateful acknowledgement is made to the many Massachusetts state and local officials, to the legislative research and reference agencies of other states, to the United States Department of Housing and Urban Development, to the Federal Advisory Commission on Intergovernmental Relations, and to the many other informed authorities who cooperated so generously in this study.

Respectfully submitted,

DANIEL M. O'SULLIVAN, *Director*
Legislative Research Bureau

The Commonwealth of Massachusetts

SELECTED PROBLEMS OF URBAN REHABILITATION IN MASSACHUSETTS

SUMMARY OF REPORT

Origin and Scope of Study

This report is submitted in compliance with a study order adopted by both branches of the General Court in December of 1967 (Senate, No. 1522). That legislative directive, proposed by Senator Joseph D. Ward of Worcester, Chairman of the Legislative Research Council, required the Council to report upon a broad range of very complex problems relating to the rehabilitation of blighted urban areas and their populations. Specific reference was made by the order to such aspects as (a) optimum approaches to the prevention of urban decay, (b) the physical rehabilitation of blighted areas, (c) techniques for elevating the living, housing, income and social standards of these areas, and (d) correlating federal, state and municipal rehabilitation efforts.

Coverage in one report of all these facets of urban rehabilitation described in this sweeping study directive was not possible because of limitations upon the staff and time available to the Legislative Research Bureau. Accordingly, the scope of this document has been restricted to selected problems of urban rehabilitation, with special emphasis upon problems which have arisen in relation to the Model Cities Program authorized by the Federal Demonstration Cities and Metropolitan Development Act of 1966, as amended (P.L. 89-754). Currently, nine Massachusetts cities are participating in studies and projects receiving federal financial assistance under that statute, hereinafter referred to briefly as "the Model Cities Law" (Boston, Cambridge, Fall River, Holyoke, Lowell, Lynn, New Bedford, Springfield and Worcester).

This report discusses such problem areas under the Model Cities Program in Massachusetts as: (a) shortages of state personnel needed to implement the program; (b) Civil Service Law restric-

tions; (c) the financing of model cities; (d) the authority of model cities agencies; (e) participation by model neighborhood residents in the planning and direction of their model cities effort; (f) practices under the contract laws, including controversies over employment discrimination against minority groups; (g) public transportation; (h) public health facilities and services; and (i) public schools.

The remaining urban rehabilitation topics embraced in the study directive Senate, No. 1522 of 1967, not discussed in this report, are included within the scope of orders adopted by the 1969 General Court which require the Legislative Research Council to report to the 1970 legislative session on (a) the reorganization of regional government in the Commonwealth (House, No. 4774 of 1969), and (b) means of maximizing Massachusetts state and local participation in federal programs relative to low and middle income housing, "new towns" and code enforcement (unnumbered joint order of June 24, 1969).

Urban Growth in the United States

Within barely two centuries, the United States has grown from a relatively small federation of 13 predominantly rural states with slightly less than four million inhabitants to a transcontinental union of 50 states containing over 179 million inhabitants in 1960, of whom 54.3% resided in communities with populations of 10,000 or more. The nation's population continues to expand by between 14% and 21% every ten years. This growth was stimulated by (a) the quadrupling of the national territory since 1789, (b) rapid settlement of the land due to federal land policies and relatively unrestricted immigration in the Nineteenth Century, and (c) the impetus given to urban growth by the Industrial Revolution.

Professor Daniel J. Elazar of Temple University has stressed the role of agrarianism, metropolitanism and "nomadism" in the development of urban areas of this country. While flocking to the cities for their economic advantages and to escape rural isolation, Americans have sought to preserve as much as possible of the agrarian life pattern by emphasizing home-ownership, low-density

development in small locally-controlled communities, rather than in a single city. Consequently, central cities have tended to develop as "service centers" for large metropolitan areas containing numerous "satellite" communities. "Megalopolises" of contiguous urban areas have appeared as a result of "nomadism," the highly mobile characteristics of the American population which is reflected in the migration of people from rural areas to the suburbs and central cities, from the central cities to the suburbs, and between urban areas.

Definitions of what comprises an "urban area" differ. For its own reporting purposes, the Federal Census Bureau measures urban growth by "Standard Metropolitan Statistical Areas" (SMSA's), each of which consists of a central city of 50,000 or more inhabitants, plus contiguous "urban" localities of 2,500 or more population. In 1960, there were a total of 212 such SMSA's throughout the country with an aggregate population of 112.9 million, of whom 58 million (69.9%) resided in the central cities.

Urban Growth in Massachusetts

With some local variations, the pattern of urbanization in Massachusetts has followed that of the nation. The first large communities to emerge in Massachusetts were the seaport towns. With the rise of manufacturing industries in the early 1800s the formation of manufacturing communities was stimulated. Eventually, some of these localities attained such a size that their town forms of government became impractical, and city forms of municipal government were authorized (1821).

The population of Massachusetts (exclusive of the District of Maine) increased thirteenfold between 1790 and 1960, from 378,787 to 5.14 million inhabitants. The 1965 state decennial census recorded a further advance to 5.29 million in that year. The Commonwealth ranks 45th among the 50 states in territorial size, 10th among them in population, and ninth as an industrial state. In 1960, 86.7% of the Massachusetts population was concentrated in eight SMSA's which lay wholly within Massachusetts and in three SMSA's which straddled the state line, as follows:

Populations of SMSA's Wholly Within Massachusetts in 1960

1. Boston	2,589,301	6. Pittsfield	73,839
2. Brockton	149,458	7. Springfield-Chicopee-	
3. Fitchburg-Leominster	82,486	Holyoke	540,145
4. Lowell	160,982	8. Worcester	323,306
5. New Bedford	143,176		

Populations of Massachusetts' Portion of Interstate SMSA's in 1960

9. Fall River	128,695	10. Lawrence-Haverhill	185,592
11. Providence-Pawtucket-Warwick	89,743		

It is anticipated by various authorities that the population of Massachusetts will increase to 5.66 million inhabitants by 1975, of whom 3.9 million will live within 35 miles of the State House. The Metropolitan Area Planning Council has estimated that the population within that radius will reach 4.73 million by 1990 and 5.36 million by the year 2000.

*Governmental Response to the Urban Crisis**Gradual Recognition of "Urban Crisis"*

Since the American Revolution, national political philosophy has stressed a federal decentralization of authority and responsibility to the states and their localities, and minimal governmental intervention in human activities and relationships. Thus, the first responsibility for keeping individuals out of trouble has rested initially with the citizen and his family.

Accordingly, the federal and state governments have been slow to recognize economic and social problems in their incipient stages, and slow to identify them as problems requiring action first by the state, then by the federal government. Hence, it has been possible for such problems to gather considerable momentum before effective governmental action is initiated. This has been particularly true of the problems of our urban areas.

Federal Programs in Aid of Urban Areas

The federal government has assisted the economic development of the states and territories since the early days of the Republic, when land grants were authorized to encourage the settlement and development of the West, and when the construction of the

interstate highway system was ordained. In 1862, Congress introduced the concept of "categorical" grants in aid to the states which dominates federal aid practices today; under this approach, national resources are made available to state and local governments in return for their acceptance of federal standards and goals.

Until the Great Depression of 1929, federal grant programs were few in number and modest in scope. However, since that time the number of these programs has ballooned to more than 450 administered by more than 35 federal agencies, as old problems became more acute and new problems arose under the pressures of urbanization, rural poverty, an increasingly integrated and complex economy the deterioration of old social structures, and the exigencies of World War II and its foreign aftermath. Aid programs authorized by Congress in recent years have placed great emphasis upon housing needs, community rehabilitation and development, improved public transportation, health needs, and aid to disadvantaged citizens in both urban and rural areas. They have stressed a greater participation by the private sector in meeting national needs. Of the \$17.4 billions of federal aid payments to the states and localities in 1968, \$10.3 billions (59.3%) related to metropolitan or urban areas.

Massachusetts State Programs in Aid of Urban Areas

In meeting the urban challenge, the Massachusetts state government has resorted over the years to four basic approaches summarized below which have been designed to prevent and eliminate blight and substandard conditions, particularly in urban areas.

Code Formulation and Enforcement. The construction and maintenance of buildings has been subject to governmental regulation in Massachusetts since the Seventeenth Century; today, the safety aspects of buildings are controlled by various statutory standards, and by numerous regulations promulgated by state administrative agencies and local legislative bodies pursuant to law. The next oldest body of "code" provisions are those formulated within, or under authority of, the Public Health Law which dates from 1797 (G.L. c. 111); amendments to that law in 1957 empower the State Department of Public Health to promulgate a Uniform Sanitary Code with provisions related to housing which are enforced by local

health departments. In addition, municipal governments have had power to adopt zoning ordinances and by-laws since 1920, and subdivision control regulations since 1936.

Regional Agencies. Since 1889, the Commonwealth has relied on various types of regional agencies to furnish services on an area-wide basis, especially in the metropolitan Boston area. This approach has permitted urban needs to be met without involvement in bitter controversies over municipal consolidations and annexations. Among the more important "regionalized" activities in the Boston area are those of the Metropolitan District Commission (water, sewage disposal and parks), the Massachusetts Bay Transportation Authority, and the Metropolitan Area Planning Council.

Housing Programs. State concern with housing programs designed moderate income families and to eliminate slums in Massachusetts dates from 1911, when the General Court created the Homestead Commission. State authority to act in relation to these problems was clarified and enlarged by Constitutional Amendment Articles to increase the supply of residential units available to low and moderate income families and to eliminate slums in Massachusetts dates from 1911, when the General Court created the Homestead Commission. State authority to act in relation to these problems was clarified and enlarged by Constitutional Amendment Articles XLIII (1915) and XLVII (1917). The responsibility for administering state aspects of public housing programs, vested originally in the Homestead Commission, now resides in the State Department of Community Affairs.

Prior to 1946, the Massachusetts public housing program was small in scope. Since then, there has been a considerable enlargement of public housing activity, administered through local housing authorities with the assistance of federal and state grants and guarantees (G.L. c. 121). Over 43,000 housing units have been constructed by 148 or more local housing authorities under statutes relative to housing for veterans (1946), low income families (1946), the elderly (1953), and rent supplements (1966). In addition, the General Court has created a Massachusetts Housing Finance Agency to grant federally-insured mortgages for the rehabilitation and construction of low and modest income housing (1966).

In 1968, the maximum state financial commitment in aid of the foregoing housing programs included (a) a state guarantee of \$480 million of local housing debt, (b) annual state "contributions" totaling \$16.8 million to localities toward their housing debt retirement, and (c) a \$300,000 state loan to the Massachusetts Housing Finance Agency.

Urban Redevelopment, Renewal and Rehabilitation. Until 1946, urban redevelopment, renewal and rehabilitation was treated as an incidental aspect of state and local activity in respect to housing and slum clearance. Subsequently distinctive programs have been authorized by law for land assembly and redevelopment (1946), urban redevelopment (1952), urban renewal (1955) and commercial and industrial development (1960). These programs, supported by federal and state grants and guarantees, are regulated by Chapter 121 of the General Laws and are administered through local redevelopment authorities (50 communities) and local housing authorities acting as redevelopment authorities (13 communities) under the supervision of the State Department of Community Affairs. The total value of urban development, renewal and rehabilitation projects conducted by these authorities in Massachusetts through early 1968 was \$650 million. In 1969, the Commonwealth was committed to grants to localities not exceeding \$40 million (at the rate of \$2 million yearly) toward the cost of federally-aided urban redevelopment and renewal projects, and not exceeding \$20 million (at the rate of \$1 million yearly) toward such projects which are not aided by the federal government.

In addition, state laws permit the formation of limited-dividend privately financed urban redevelopment corporations to engage in state-approved private housing, urban renewal, redevelopment and rehabilitation projects; and the powers of such corporations may also be exercised under specified conditions by insurance companies, certain other business enterprises, and non-profit organizations (G.L. c. 121A). Within the past ten years \$266 million of these "Chapter 121A" projects have either been authorized by the state, or awaited its approval at the end of 1968.

Other Programs. Aside from the foregoing "anti-blight" legislation, the General Court has enacted numerous laws since World War II

which cover other vital aspects of urban life including education, welfare, job-finding services, a Commonwealth Service Corps, unemployment insurance, transportation, air pollution, property insurance in high-risk urban areas, and the prohibition of racial and religious discrimination in housing, insurance, employment and education.

Under the State School Building Assistance Act of 1968 (c. 645), as amended, the state provides financial assistance to localities for the construction and enlargement of public school buildings. The complex statutory formula governing these grants provides a 40% to 50% state subsidy of such construction costs of individual municipalities, but permits an increase to 65% for (a) school construction undertaken by a city or town to eliminate "racial imbalance" in local schools, and (b) schools constructed by multi-municipal regional school districts. The maximum state grant is provided for school construction by communities in depressed areas. The General Court has appropriated \$33 million for school building grant purposes in the current 1970 fiscal year.

Other state educational programs of urban significance include (a) the METCO program of enrollments of inner city disadvantaged children in suburban schools for which state grants aggregating \$1 million have been authorized for fiscal 1970, and (b) state financial support in the amount of \$500,000 in fiscal 1970 toward one experimental school in the Boston metropolitan area which will be concerned especially with the needs of children residing in blighted neighborhoods.

Federal Model Cities Program

Legislative Background

The current Model Cities Program, which was based on proposals by President Lyndon B. Johnson, was authorized by Congress in the Demonstration Cities and Metropolitan Development ("Model Cities") Act of 1966 (P.L. 89-754).

In his message to Congress, the President urged congressional approval of a six-year program of "demonstration cities" grants aggregating \$2.3 billion in federal expenditure, supplemented by \$12 million of federal grants for local planning of model cities projects. The bill proposed by the President also contained pro-

visions re (a) improved metropolitan planning, (b) expanded federal grants-in-aid and mortgage insurance in the housing field, (c) "new communities" development by private capital backed by federal mortgage insurance, (d) liberalization of federal aid for historic preservation, (f) an enlarged rent supplement program, and (g) prevention of discrimination in housing. With modifications, these provisions were included in the Model Cities Law by Congress.

Salient Provisions of Model Cities Law

The statutory provisions relative to the Model Cities Program are embraced substantially in Title I of the Model Cities Law, which is administered by the Federal Department of Housing and Urban Development (HUD). The salient aspects of that statute are summarized as follows:

Eligibility for Assistance. Section 103 of Title I stipulates that a model city program is eligible for financial assistance only if certain specific criteria are met. These criteria include requirements that—

(1) Physical and social problems in the area of the city justify a model city program to carry out the purposes of the Model Cities Law.

(2) The program is of sufficient magnitude to make a substantial impact on the physical and social problems of entire neighborhoods and to contribute to the sound development of the entire city. In this connection, provision must be made for "widespread citizen participation in the program, maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training."

(3) The program must contribute toward a well-balanced city, with a substantial increase in the supply of low and moderate income housing.

(4) Local resources, authority and administrative procedures must be available for carrying out the program on a consolidated and coordinated basis. Private initiative and enterprise must be utilized to the fullest extent possible. The program and appropriate applications for assistance must have the approval of the local

governing body and must be consistent with comprehensive planning in the entire urban or metropolitan area.

(5) The program must meet any additional criteria or requirements established by HUD.

In implementing this law, HUD is required to (1) emphasize local initiative, and (2) insure maximum coordination of federal assistance.

School Bussing and Racial Imbalance Aspects. HUD may not require localities, as a condition for receiving a federal grant under this program, to transfer pupils who reside outside a model cities area to schools within that area, or vice versa. (Sec. 103).

Federal "Section 104" Financial Assistance for Planning Model City Programs. HUD may make grants to or contract with model city agencies to pay 80% of the costs of planning and developing model city programs provided (1) the governing body of the city has approved the application submitted by the model city agency and (2) the administrative machinery for coordination of all related planning activities of local agencies is adequate. (Sec. 104).

Federal "Section 105" Financial Assistance for Approved Model City Programs. If, after review of the relevant plans, the Secretary of HUD determines that they satisfy the foregoing criteria for those programs, he may approve grants to pay 80% of the costs of administering approved model city programs; excluded for such costs are those subsidized under other federal grant-in-aid programs. To assist the city in carrying out the projects or activities included within an approved model city program, HUD may fund up to 80% of the aggregate amount of non-federal contributions otherwise required to be made by the locality to all projects or activities assisted by federal grant-in-aid programs carried out in connection with such a model city program. No federal grant-in-aid program may be considered as being carried out in connection with a model city program unless it is related substantially to the physical and social problems in the area of the city covered by the model cities program. (Sec. 105).

Technical Assistance. HUD is empowered to provide technical assistance to local model city agencies to help them in planning, developing and administering their model city programs. (Sec. 106).

Relocation of Displaced Persons and Activities. A model cities program is required to include a plan for relocating people, business, and non-profit organizations displaced or to be displaced by that program. This relocation plan must conform to standards prescribed under authority of the Federal Housing Act of 1949 and must assure the availability of adequate housing before any people are displaced (Sec. 107).

Consultation. In carrying out the provisions of the Model Cities Law, HUD must consult with other federal agencies administering grant-in-aid programs. Such consultation must occur before any commitment may be made under Section 105. (Sec. 109).

Labor Standards. The prevailing wage provisions on the Davis-Bacon Act apply to the employment of personnel by contractors and subcontractors upon construction, rehabilitation, repair or alteration work assisted with federal funds under the Model Cities Law, if such wages are not otherwise subject to the labor standards provisions of other federal laws. These requirements do not apply to the construction, rehabilitation, repair, or alteration of residential property designed for fewer than eight families. (Sec. 110).

Federal Expenditure Authorization for Planning of Model Cities Programs. Title I authorized federal appropriations of \$12 million annually in each of the fiscal years 1967, 1968 and 1969 for (1) grants-in-aid for the planning of model city programs, and (2) certain administrative and technical assistance costs. Federal appropriations of \$400 million in the fiscal year 1968, \$500 million in the fiscal year 1969, and \$1 billion in the fiscal year 1970, were authorized for federal "grant and contracts" (1) to assist approved model city programs under Section 105 (2) for technical assistance, and (3) for relocation assistance. These "authorizations" are Congressional commitments, not appropriations. (Sec. 111).

Increased Federal Expenditure Authorization for Federal Urban Renewal Assistance Where Related to Demonstration Cities. Title I authorized an additional appropriation of \$250 million, to be available after July 1, 1967, for grants to urban renewal projects identified

and scheduled to be carried out as projects or activities included within an approved model city program. (Sec. 113).

State Limit. Federal grants made under Section 105 for model city programs in any one state may not exceed in the aggregate 15% of the aggregate amount of funds authorized to be appropriated under Section 111 above. (Sec. 114).

Federal Implementation of Model Cities Law

In 1966, Congress provided HUD with a continuing \$11 million appropriation — later expanded to \$23 million — for federal financial assistance to localities for the planning of their model city programs under Section 104 of the Model Cities Law. Subsequently, Congress made further appropriations on a continuing basis to HUD in 1968 of (a) \$512.5 million for “supplementary” grants for approved model city programs under Sections 105-107 of the Model Cities Law, and (b) \$412.5 million for grants-in-aid to urban renewal undertakings carried out in conjunction with a Section 105 approved model city program. Thus, the federal government is committed to the model cities effort to the extent of \$925 million at the end of 1968.

Through mid-1969, at least 150 communities had either received Section 104 planning grants, or were expected to have their applications approved by HUD shortly thereafter. Of this group 15—including Boston — have received HUD approval through mid-1969 of their applications for Section 105 “supplementary” federal financial assistance for the execution of an approved model city program

Model Cities Developments in Massachusetts

State Assistance to Model Cities

Except for a few statutes making brief reference to model cities, the General Court has not enacted as yet any law establishing a comprehensive and distinctive state program relative to model cities. Instead, local activities in respect to the planning and execution of “comprehensive city demonstration programs” (model city programs) have proceeded primarily under authority of general statutory provisions *re* public housing, rental assistance, housing relocation, land assembly and redevelopment, commercial and in-

dustrial redevelopment, and urban renewal (G.L. c. 121). Efforts are being made to coordinate state and local action under these statutes with activities under other federally-assisted and state-aided programs pertaining to schools, social services, public health, highways, and the like. The State Department of Community Affairs, which approves state financial assistance to localities under Chapter 121 of the General Laws and acts as the state liaison agency with HUD on that score, provides technical advice and assistance to localities in respect to their model cities programs.

Massachusetts state policy in regard to model cities thus follows the practices of the great majority of states which furnish no distinctive model cities assistance to localities. Currently, only four states provide such aid, notably, Hawaii, which furnishes a state grant toward the 20% "local share" of model cities planning costs, a system of community improvement grants, and certain wholly state-supported educational, health and social work facilities and services; New Jersey and Pennsylvania, which authorize varying state grants toward the "local" share of model cities costs; and New York, which underwrites half of the "local share" of model cities planning costs.

Massachusetts Model Cities in 1969

General Aspects. Model city agencies exist in nine Massachusetts cities: Boston, Cambridge, Fall River, Holyoke, Lowell, Lynn, New Bedford, Springfield and Worcester. Of these model city agencies, four were among the "first round" of 63 model cities confirmed by HUD in November of 1967 for "Section 104" federal financial assistance for planning of their model city programs (Boston, Cambridge, Lowell and Springfield). The remaining five Massachusetts model cities received HUD approval for such planning grants subsequently.

Through May 15, 1969, only three of the nine Massachusetts cities — Boston, Cambridge and New Bedford — had advanced to the point of applying to HUD for federal financial assistance for the implementation of a "comprehensive city demonstration program" under Section 105 of the Model Cities Law. The Boston application was given final approval by HUD in July 1969. HUD

action on the Cambridge and New Bedford model city applications is currently pending.

The administrative characteristics of the nine Massachusetts model cities agencies and the status of their activities vary.

Boston. The Boston Model City Administration was created by The Mayor and City Council in April 1967, following studies by the Boston Redevelopment Authority and Action for Boston Community Development, Inc. The Model City Administration serves within the Mayor's office, and is headed by a Director named by the Mayor. Associated with that agency is a Model Neighborhood Board consisting of 18 members elected by residents of the model city. The Board has advisory powers with respect to plans and programs of the Model City Administration, may recommend the priorities to be assigned to model city needs and conducts studies.

As one of the original 63 "first round" municipalities to receive a Section 104 planning grant in November of 1967, Boston was awarded \$240,813 in federal aid, which it supplemented with a city contribution of \$48,163 and with \$16,365 from other sources. Subsequently, in October 1968 the Model City Administration submitted to the Boston City Council its proposed plan for a five-year model city program, for the rehabilitation of a "model city" neighborhood occupying about 2,000 acres in Jamaica Plain, Dorchester and Roxbury. This neighborhood suffers from extensive social and physical deterioration, with a critical range of acute, housing, health, educational and unemployment problems. Its population of 62,500 (10% of the Boston inhabitants) is about 57% Negro and accounts for over 18% of the Boston public welfare case load. In November 1968 the City Council approved the proposed plan, after making a number of amendments.

The projected cost of financing this program during its first year is estimated at \$18.5 million, of which \$7.7 million represent Section 105 and related HUD model city projects dovetailed with the Model City Program; and about \$4.1 million are to come from various nonfederal sources. HUD gave its final approval to Boston's application for the foregoing Section 105 grants in July 1969.

Cambridge. On December 16, 1968, the Cambridge City Council approved an application to HUD for Section 105 federal financial

assistance to a model city program in a 268-acre low-income area of about 15,000 inhabitants located in East Cambridge near the Massachusetts Institute of Technology. The Cambridge application proposes a five-year comprehensive program, the first "action year" of which entails an estimated \$7.4 million total expenditure of federal, state, city and private funds. Toward this program, HUD has segregated a supplementary "seed money" grant of \$870,000 to be matched by a \$190,000 city appropriation (the 20% local share), if the foregoing application receives HUD approval. HUD action on that application is still pending.

The above application results from a model city planning project approved by HUD in November 1967, and carried out under the supervision of the Cambridge City Demonstration Agency (CDA), which serves under the City Manager. The CDA, established by city ordinance is unique in the degree of control it affords model city residents over the planning and execution of the Cambridge model city scheme. The CDA governing board of 24 members include (a) 16 persons who are residents of the model city area elected for two-year terms by their fellow-residents, and (b) eight appointed "non-resident" or *ex officio* members. The ordinance creating the CDA requires it to submit its "final plans" to referendum in the model city area. The pending application to HUD was endorsed by 94.9% of the model city residents voting in such a referendum early in December 1968.

Fall River. The Fall River Model Cities Agency comprises a unit within the Mayor's office. When the organization of the agency is completed, it will include a Model Cities Board of a size as yet to be determined, half of whose members are to be named by the Mayor while the remaining members will be elected by residents of the model neighborhood. The Fall River Model Cities Agency has received a Section 104 grant of \$118,000, supplemented by a \$29,500 city contribution, for the development of a model city plan for a low-income blighted area of over 12,600 inhabitants, representing about 13% of the total Fall River population.

Holyoke. The Holyoke City Demonstration Agency, established in the office of the Mayor, is now engaged in a \$127,000 model city planning project aided by a HUD grant under Section 104 of

the Model Cities Law for the revitalization of a blighted 235-acre neighborhood in Ward 1 of about 5,000 inhabitants. Of that sum, \$101,000 consists of federal aid and the balance of \$26,000 represents the city's 20% share of study costs. The agency is aided in its work by a Model City Neighborhood Council and a Model City Policy Board.

Lowell. Serving directly under the City Manager, the Lowell Model Cities Agency is preparing plans for a model neighborhood area known as "The Acre" in the riverfront section of the city. The planning project, one of the original 63 "first round" studies authorized in 1967 is funded by \$14,563 of city appropriations and a \$126,650 federal grant, or a total authorization of \$141,213. Two advisory boards are attached to the Model Cities Agency, namely: (a) the Acre Model Neighborhood Organization, whose 40 members are elected by the model city area residents; and (b) the 26-member Lowell Demonstration Planning Committee, half of whom are elected by the Acre Model Neighborhood Organization and the other half of whom are named by the City Manager.

Lynn. The Lynn Model City Agency exists as a separate city department headed by a director appointed by the Mayor. It is planning a model city, aided by a \$117,000 HUD grant under Section 104 and \$29,250 in city contributions. The model city includes a blighted 291-acre area of the Highlands and Lower East Lynn sections of Lynn with a population of 12,000 (14.8% of the total number of city residents). The agency contains a Neighborhood Council composed of 22 members elected by residents of the model city area, and a Policy Board consisting of the foregoing council members plus certain other officials. These two bodies have advisory powers only in respect to contracts, but retain a "ratification" power with respect to plans which are to be submitted to HUD.

New Bedford. Aided by a HUD Section 104 planning grant of \$128,650 supplemented by a city "cash and in-kind" contribution of \$27,074 and by "in-kind" state assistance valued at \$5,088, the New Bedford Model Cities Administration has completed a \$160,-812 model city planning project for the rehabilitation and development of a 565-acre waterfront model city area with a population of 15,850 persons. The proposed program calls for a total federal,

state, city and private expenditure of \$4.4 million in first action year.

The new Bedford Model Cities Administration is a city department serving directly under the Mayor. Before applications for federal aid are presented to the City Council they must be approved by a 12-member Model Cities Planning Council elected by residents of the model city area. The policies and expenditures of the agency are controlled by the Planning Council.

Springfield. A department serving directly under the Mayor, the Springfield Model Cities Agency, is completing a proposed application for federal Section 105 financial assistance to a model city program in a 761-acre site in the blighted Hill-Bay-McKnight section of Springfield, which has a population of about 19,000. This \$160,162 planning effort was financed by a \$128,000 Section 104 grant from HUD and by a city matching appropriation of \$32,162. Before presentation to the City Council, the application (including its related plan) must have the endorsement of the 15-member Model City Policy elected by residents of the model city area. The Springfield Model City Agency Board hopes for a \$1,-195,000 "seed money" supplemental grant matched by a 20% city contribution for the first-year implementation of this "comprehensive city demonstration program" upon approval of the city application by HUD.

Worcester. The "manager" City of Worcester has resorted to the use of a non-profit corporation to carry out its model city program. That corporation — the Worcester Cooperation Council, Inc. (WCCI) — provides this service in accordance with the requirements of a contract with the City of Worcester. The WCCI has a 36-member board of directors which includes the City Manager, eight of his appointees, 12 representatives of various organizations, and 15 members elected by model city area residents. WCCI also has a 32-member Resident Assembly Executive Committee elected by model city area residents, which has a power of approval over all model city proposals and plans before they are submitted to the WCCI directors. WCCI is presently engaged in a Section 104 model cities planning study affecting the blighted 550-acre Piedmont-University Park area of Worcester with a popula-

tion of approximately 20,000. It anticipates federal "seed money" grants of between \$1.8 million and \$3 million for the plan which will be submitted to HUD.

Problem Areas in Model Cities Program in Massachusetts

Authorities interested in the Model Cities Program point to at least nine "problem areas" of that program in Massachusetts, in respect to which they believe action by the state government may prove helpful. These nine problem areas include (1) shortages of state personnel, (2) Civil Service Law requirements, (3) the financing of model cities, (4) the authority of model cities agencies, (5) resident participation, (6) practices under the contract laws, (7) public transportation, (8) public health facilities and services, and (9) the public schools.

Shortages of State Personnel

To staff the Department of Community Affairs in its initial stages, the 1968 General Court transferred to it 162 state employees who had been serving in agencies superseded by that Department. In this group is the sole staff specialist on model cities matters, who is responsible for performing the basic administrative tasks of the Department in connection with the Model Cities Program, including furnishing technical advice and assistance to local governments and their model city agencies. In performing her duties in respect to model cities, this employee has been able to call on other technical personnel of the Department. However, as the number of communities with model city agencies has expanded, and as these agencies move from the planning to the execution stages of their programs, their demands upon the time of this employee have mounted. In addition, HUD requires the Department to comment upon local applications for federal financial assistance under The Model Cities Law. This state review is expected to command more of the time of the Department staff.

Officials of the State Department of Community Affairs argue that if its model cities duties are to be implemented, the Department must retain a number of qualified, properly-trained professional staff members sufficient to provide prompt help to localities, especially those unable to recruit the range of professionals needed. Accordingly, they state that the full-time services of at least four—

and possibly six— additional employees within the near future is essential.

Civil Service Law Requirements

Criticism of Civil Service and Related Requirements

State and local officials involved in the Model Cities Program and interested “civil rights” organizations have indicated dissatisfaction with the personnel practices of the state and local governments under the Massachusetts Civil Service Law (G.L. c. 31); in their view, these practices hamper recruiting of needed technical personnel, and militate against employment opportunities for the urban poor in the public service. At the root of these criticisms there lies a basic public policy dilemma: a conflict between (a) the demands of civil service reformers, taxpayer groups, public employee unions and professional organizations for a “tougher,” more professional state and local government service based on merit and on higher entrance requirements and (b) the demands of groups representing the urban poor generally or ethnic minorities in particular for greater employment in the public service, especially in their own communities.

Exemption of Local Government Positions

In response to the demands of civil rights groups and others, the General Court has enacted legislation exempting not more than 30 positions on the staff of each model city agency from the Civil Service Law until August 1970 (Acts of 1968, c. 603).

In 1969 two proposals were presented to the General Court which sought more extended exemptions of local code enforcement and model cities agency positions from the Civil Service Law. The first measure, introduced on petition of the Massachusetts Mayors’ Association, proposed complete exemption of municipal personnel engaged in the federally-aided Concentrated Code Enforcement Program from both the Civil Service Law and the Veterans’ Tenure Law (House, No. 724). The second bill, filed on behalf of Mayor Kevin H. White of Boston and others, proposed that the two foregoing statutes not apply to personnel employed in connection with such municipal programs or projects as the Director of Civil Service determines to be experimental or demonstrative in character (House, No. 2357).

Both proposals were considered by the Joint Committee on Public Service which subsequently recommended legislation permitting the Director of Civil Service, with State Civil Service Commission approval, to exempt additional model cities and code enforcement positions from the Civil Service Law under those federally-aided programs. However, the foregoing exemption of model cities and code enforcement personnel could *not* be extended to: (1) employees who may displace Civil Service employees in any existing positions, (2) employees appointed to fill certain budgeted positions in accordance with the Civil Service Law, (3) police officers, (4) fire fighters, (5) code enforcement inspectors, (6) plumbing inspectors, (7) electricians, (8) statutory engineers (9) steam, firemen and (10) other positions requiring licenses or certificates, except registered physicians. (House, No. 5231).

Proponents of an expanded Civil Service Law exemption argue that "ghetto" residents do not participate extensively in Civil Service examinations, due to their poor educational background and their lack of adequate information on Civil Service possibilities. They assert that a suspension of Civil Service requirements is needed (a) to assure the prompt employment of more significant numbers of ghetto residents on the model city agency staff, and (b) to enable the basically "temporary" local model cities agencies to move forward quickly in order to meet deadlines in submitting applications, reports and plans to HUD. Moreover some model cities administrators favor extension of this civil service exemption to positions in other municipal departments which have been created in connection with model city activities of those departments.

Opponents fear that such exemptions sacrifice quality in civil service appointments for the "dubious advantages" of "participation politics", and open the way to old-fashioned patronage politics. At best, such opponents would limit exemptions to labor service categories and to the lowest level of clerical positions. It is alleged that placing underskilled people in the higher positions will serve only to make municipal agency activities less effective and more costly. Furthermore, opponents assert that the exemption argument overlooks the proven possibilities of Civil Service Law provisions permitting provisional and temporary appointments,

Law provisions permitting provisional and temporary appointments, and the willingness of the State Division of Civil Service to interpret these provisions liberally.

Unequal Public Employment Opportunities for the Poor

In general, there are practical limitations on the extent to which the urban poor can be employed in Civil Service positions, quite apart from state and federal restrictions on the term of provisional appointments. These include (a) the lack of adequate reading and writing skills, (b) language problems of the foreign-born and (c) poor "job discipline" due to social and educational handicaps which has made both public and private employers hesitant to hire them.

Some model cities officials and "civil rights" groups allege that experience and educational qualifications established for appointment to state and local government positions are set at too high a level in terms of the work actually to be done. This, it is contended, prevents the employment in these positions of urban poor people who could do the work, but who are educationally deprived. Negro "ghetto" populations are particularly resentful of practices which award "ghetto area" jobs to outsiders from less distressed regions.

As a matter of customary procedure, the Division of Civil Service reviews and adjusts the specifications and qualifications of Civil Service positions every time the need arises to conduct examinations. While sympathetically interested in developing such job opportunities for the poor, the Division of Civil Service stresses its fundamental obligation to assure that Civil Service posts are awarded to persons possessing the skills necessary to these positions.

Employment Training Programs

Spokesmen for urban poor groups complain that the Civil Service system is biased against the underprivileged applicant in that it does not provide "adequate" pre-service and in-service training programs to enable him to meet entrance standards prior to appointment or to improve his performance after such appointment. The General Court has made statutory provision for "pre-service" training of certain applicants for public employment, and for the in-service training of state and local government employees. All

of these training authorizations are of very modest dimensions, but the necessary funds for their implementation have not been provided in every instance.

The State Department of Community Affairs superintends federally-subsidized programs for training of community action agency officials and personnel and for the training of members of model neighborhood boards.

The Division of Civil Service provides no training programs, but it is cooperating with the State Division of Employment Security (DES) and with the bureau of Vocational Education of the State Department of Education in a job training program aided by \$9 million of federal grants under the Manpower Development and Training Act of 1962. The DES itself is providing, on a very modest basis, training programs for clerical and keypunch personnel and for custodial help. In addition, the DES, jointly with the State Department of Public Welfare, has for several years been engaged in a work incentive training project for employable welfare recipients. Similarly, the DES has a limited program under which it hires a modest number of trainable depressed area residents as "pre-professional" employees; the Division of Civil Service has approved the provisional employment of these trainees in certain classified positions.

Residence Requirements for Public Employment

To increase employment opportunities in the public service for the urban poor, some authorities suggest that existing statutory restrictions upon the residence of public employees be liberalized (a) to permit residents of blighted areas to obtain employment in nearby municipalities and (b) to allow low-income employees of communities with high living costs and real estate tax rates to live in less expensive nearby areas.

With some exceptions, the Civil Service Law and rules require that preference be given to Massachusetts citizens in appointments to positions in the public service, and that localities give preference to their own residents in appointments to municipal positions. Localities may hire non-residents in Civil Service and non-Civil-Service positions but, in most instances, such employees must later establish residence in their employing community. The Director of

Civil Service may waive residence requirements for state and local Civil Service personnel, and has often done so to permit communities to hire non-residents in their Civil Service positions.

Financing of Model Cities

State Aid to Model Cities in Massachusetts

The State Department of Community Affairs is authorized to assist cities and towns in obtaining federal aid and to provide them with technical advice and assistance in respect to model cities and other urban rehabilitation programs. The Department is also empowered to coordinate state-local urban efforts "through advice and counsel". However, the Commonwealth lacks a definitive State Model Cities Program with state financial assistance provisions. Currently, local model cities officials must assemble state grants on a piecemeal basis from various state agencies with respect to specific elements of the overall development of the model city, and then try to coordinate these individual grants for maximum effectiveness.

Officials of the Department and of the model cities agencies complain that without state grants toward the 20% "local share" of Section 104 and Section 105 model cities costs the Model Cities Program is impeded seriously in Massachusetts, particularly in the financially hard-pressed old "core" cities. Accordingly, these officials urge that the Commonwealth underwrite a substantial portion of the 20% local share of model cities costs.

In 1968 and 1969 six proposals for specific state subsidization of the local share of model cities costs were introduced into the General Court. Among them were: (a) three identical bills providing for a state subsidy of 80% of a cities "cost of participating" in the Model Cities Program (House, Nos. 2635 and 2894 of 1968 and 3174 of 1969); (b) one proposal for state assumption of 50% of the "local share" of costs under federally-aided programs (Senate, No. 571 of 1969); (c) a petition advocating state payment of 100% of the 20% local share of model city planning expenses (House, No. 3088 of 1968); and (d) a measure calling for state assumption of 50% of model city planning costs (Senate, No. 1151 of 1969).

All six of these legislative proposals failed of passage because their proponents were unable to produce satisfactory estimates of their probable annual cost to the state treasury. On the other hand, opponents protested that the state financial commitment under these aid proposals might “escalate” if local and federal authorities were to enlarge existing model cities or authorize new ones.

Restrictions on Municipal Borrowing Powers

The Massachusetts General Laws empower cities and towns to incur debt for at least 60 different specific purposes, including 27 purposes for which the localities may borrow only within the statutory debt limit and 33 instances in which they may borrow outside that limit. The General Laws prescribe a basic debt limit for cities of $2\frac{1}{2}\%$, and for towns of 5% of their property valuation as announced in the most recent biennial report of equalized local valuations published by the State Tax Commission. With the approval of the State Emergency Finance Board, such basic debt limits may be increased to 5% in the instance of a city and 10% in the case of a town.

The Massachusetts statutes include no specific authorization for municipal borrowing in respect to model cities as such. To finance the capital projects composing a model cities undertaking, a community must resort to multiple bond issues reflecting both (a) the different “purpose” categories within which the desired borrowing may occur and (b) the sums needed. The borrowing within each of these categories must observe the limitations of that category.

Most of the authority required by cities and towns to borrow funds on behalf of their model cities programs appears to be contained in the broad provisions of the housing and urban renewal statutes. With the consent of the State Emergency Finance Board, such localities may float bonds, maturing in not more than 25 years, to finance projects for (1) land clearance, assembly and redevelopment, (2) urban renewal, (3) community renewal (4) rehabilitation, (5) low-rent housing, and (6) related relocation. The amount of all such debt outstanding at any one time

may not exceed 5% of the state-equalized property valuation of the municipality. (G.L. c. 121, s. 26CC).

Various proposals have been presented to liberalize the restrictions on local borrowing for housing, urban redevelopment, urban renewal and related purposes.

In 1960 the Special Commission on the Audit of State needs recommended that communities be empowered to issue urban renewal bonds for a term of 30 years. At that time, such bonds could be issued only for 15-year terms—a limitation eventually raised to 25 years in 1966 (c. 692). The Commission argued that the longer term would enable localities to take advantage of the “multiplier effect” in their rehabilitation expenditures; that “effect” refers to the improvement in the local tax base through the stimulation of private investment and employment resulting from the investment of public funds in urban rehabilitation.

Authorities interested in the housing, model cities and urban renewal programs in Massachusetts are concerned that these programs will be hampered unless there is a further up-dating and liberalization of the statutes controlling local borrowing for those purposes. On this score, they suggest that consideration be given to: (a) increasing the present 5% of state-equalized local property valuation limit on borrowing for “Chapter 121” urban renewal and related purposes, at least for the larger cities which will require sizable additional outlays to eradicate blight and to take adequate advantage of the Model Cities Program; (b) increasing from 25 to 40 years the limitation upon the term of bonds issued by localities for Chapter 121 purposes (40-year bonds are now allowed for public authorities such as the Massachusetts Port Authority); (c) consolidation, modernization and simplification of the present “chaotic” and “archaic” structure of 60 statutory borrowing authorizations; and (d) elimination of the debt limit distinctions between cities and towns, which are criticized as “absurd”, and substitution thereof of limits based on economic factors such as population and state-equalized property valuations.

Authority of Model Cities Agencies

Authority re Activities of Other Agencies in Model Neighborhood

The Federal Model Cities Law requires that municipalities par-

ticipating in this federally-aided program provide administrative machinery capable of "carrying out the program on a consolidated and coordinated basis," with appropriate assurances of cooperation by those agencies whose aid is necessary. However, some model cities officials in Massachusetts complain that their model cities agencies lack effective control over projects and programs undertaken in their model neighborhood areas by other public authorities.

While the federal government, through HUD, requires coordination of federally-aided housing activity and community renewal programs with the Model Cities Program, the programs of the U. S. Department of Health, Education and Welfare and of the office of Economic Opportunity function outside the control of the local model cities agency. The State Department of Community Affairs is empowered "through advice and counsel" to coordinate the programs of the various state agencies active in model neighborhoods but the latter may spurn this "advice" on technical or political grounds. Local model cities agencies, as municipal departments, must rely wholly on diplomacy and negotiation to secure the cooperation of state agencies with projects in their model neighborhoods. In addition, model cities agencies are hampered in their work if city ordinances or executive orders do not give them an approval power over activities and projects of other city departments in their model neighborhoods. Such an ordinance adopted by the Cambridge City Council in 1968 grants extensive approval powers to the Cambridge City Demonstration Agency (CDA).

Arguments Pro and Con Approval Powers for Model Cities Agencies

In the opinion of some model cities officials, their agencies should be given a power of approval, at least for a three or four year period, over projects and programs undertaken in their model neighborhoods by other public authorities, whether state or local, so that a better coordination of public effort can be achieved therein. They stress that it is difficult to obtain effective cooperation on a purely voluntary basis with other, older federal, state and local departments, because the latter have a strong, innate resistance to the kind of experimentation in which model cities agencies wish to indulge.

Opponents of such model city authority object that impasses may

result if model cities agencies are permitted to veto the execution within their areas of programs and projects of statewide or regional import. Hence, while such officials favor full time consultation and cooperation between their departments and the model cities agencies, they feel the most productive results will come from the processes of negotiation. Other opponents protest any grant of approval powers to a model cities agency which would transform its model neighborhood into a "city within the city" and deprive other city agencies with citywide responsibilities of substantial control over their own activities and projects in the model neighborhood.

Eminent Domain Authority

Officials of some model cities agencies assert there is a need to vest eminent domain authority in the local model cities agency in respect to its model neighborhood area. Currently, land takings must be authorized by the city council in a city, or the town meeting in a town, and takings so authorized must then be initiated by the municipal departments which must develop, maintain and operate the land and facilities so acquired. Model cities officials feel eminent domain takings by model city agencies will be necessary (a) to prevent gaps which occur in the Model City Program after existing agencies have started their projects, due to time lapses between the date of application for federal funds and federal approval of such applications, and (b) to implement environmental plannings by a model city agency without excessive dependence on other departments to initiate takings.

Resident Participation

Statutory and Regulatory Requirement

By requirement of the Federal Model Cities Law, a local government must afford an opportunity for "widespread citizen participation" in its model cities program to be eligible for federal financial assistance. The statute does not define this concept of "citizen participation". HUD regulations stipulate that each locality must provide for representation by model neighborhood residents in the formulation of the plans and policies of their model city. Beyond this, localities are at liberty to experiment with their own arrangements for resident participation. The adequacy of their arrange-

ments is evaluated by HUD when the locality applies for federal aid to its model city program. HUD policy stresses the retention by municipal government of final decision making and fiscal authority with respect to model cities within their municipalities.

To date, the Commonwealth has set no standards for resident participation in the formulation of model cities policies and plans in Massachusetts. Such participation is left entirely to local determination, subject to local charter provisions, and HUD regulations. Thus, one or more "resident" boards may be attached to a model city undertaking by executive order of the mayor or of the city or town manager, or by ordinances or by-laws enacted by the legislative body of the municipality. The effective powers of such neighborhood resident boards vary greatly.

Practices of Nine Model Cities in Massachusetts

Of the nine Massachusetts localities having model cities agencies, five provide for only one major model neighborhood board as the vehicle for resident participation (Boston, Cambridge, Fall River, New Bedford and Springfield), whereas four localities have established two such boards each, with different functions and responsibilities (Holyoke, Lowell, Lynn and Worcester). All 13 of these boards contain members elected by residents of the model neighborhood; the elected resident members constitute a voting majority on at least nine of the 13 boards, and at least half of the membership of another two boards. The "approval" powers vested in these 13 boards are difficult to assess in view of the ultimate power of review and approval retained in the mayor and city council under HUD regulations and policies. The most sweeping powers are possessed by the Cambridge City Demonstration Agency which (a) approves final plans and proposals, (b) controls aspects of the activities of other city agencies in the model city, and (c) reviews certain proposed ordinances affecting its work. Approval powers of varying scope are reported vested in resident boards of six cities (Fall River, Holyoke, Lynn, New Bedford, Springfield and Worcester) in two cities, no strong approval powers were reported for such boards (Boston and Lowell). Three of the nine cities require final model city plans to be submitted to referenda in their model neighborhoods (Cambridge, Holyoke and Lowell).

Resident participation in the establishment of model city policies and plans is not to be equated automatically to control by model neighborhood voters or by their representative boards. In the three municipalities providing for a model neighborhood referenda, neighborhood residents participate in a significant way. However, neighborhood voter ratification of a model city scheme does not obligate the city council to approve the requisite application for federal financial assistance. In the six municipalities lacking such referendum procedures, the effectiveness of resident participation in policy and plan formulation depends entirely upon (a) the composition of the neighborhood boards, (b) the forcefulness of their members, (c) model neighborhood acceptance of such bodies as being representative, (d) the powers conferred upon these boards by the parent municipality and (e) the seriousness with which recommendations of such boards are accepted by the city government.

The major challenge to be met in devising schemes of resident participation in the development of model city policies and plans is that of recapturing some of the spirit and sense of community identity and popular participation and responsibility characteristic of the old New England town. This problem has special significance in cities where city councilmen are all elected at large, with the consequence that many component major neighborhoods or wards within the city are left without a resident councilman familiar with their problems and needs.

Proposal of ACIR in 1968

To increase citizen involvement in the governmental activities of neighborhoods within large cities, the Federal Advisory Commission on Intergovernmental Relations (ACIR) has proposed for state use a model law providing for "neighborhood sub-units of government".

The model law authorizes cities of over 50,000 inhabitants, and counties within SMSA's, to create neighborhood sub-units of government on petition of neighborhood residents to administer services and programs specified by the city or county government within designated neighborhood service areas. Each such area would have, as its governing body, a neighborhood council elected by neighborhood voters. The city or county may authorize a neighborhood

council to accept and expend public and private funds, subject to audit. In addition, such councils are empowered to finance their service area costs by means of a uniform property tax and service charges. Uniform standards are prescribed covering all aspects of these sub-units of government. The model law provides that such sub-units may be dissolved at will by the city or county governing body. The proposed law is not intended to fragment further local government structure in metropolitan areas, but via means through which a local government can actively involve a neighborhood in the governmental process.

Proposal by Representative Joseph B. Walsh of Boston

In 1969, Representative Joseph B. Walsh of Boston, Vice-Chairman of the Legislative Research Council, proposed legislation based on the ACIR model (House, No. 1663). After a public hearing the Joint Committee on Local Affairs recommended this measure be referred to the next annual session and this report was accepted by the House of Representatives in April of 1969.

Proponents of House, No. 1663 or 1969 favor its enactment to establish certain flexible uniform statewide standards controlling the formation of neighborhood sub-units of government and the assignment of functions and powers to them by their parent municipalities. In particular, these proponents contend that such legislation is needed to prevent abuses in the election of resident boards of model cities, and to regulate the allocation of powers to those boards. Finally, they believe that standards are desirable to control the creation of any local sub-units which are to influence the expenditure of the sizeable sums represented in such an undertaking as the Model City Program.

Critics of House, No. 1663 object that this measure would confer on boards of selectmen in large towns the authority to create neighborhood area agencies and to assign "governmental functions" thereto. Hence, opponents contend that it may violate state constitutional prohibitions against vesting legislative powers in executive officers. The Massachusetts Constitution recognizes the town meeting in towns—not the selectmen—as the legislative arm of town government. Traditionally, the creation of political subdivisions has been regarded as an exercise of the state legislative power; as

agents of their parent state government, local governments are deemed normally to be governed by the same broad limitations binding upon their sovereign.

Practices Under Contract Laws

Economic Participation for Model Neighborhood Residents

HUD authorities, the State Department of Community Affairs, model cities officials and groups representing ethnic minorities and the urban poor are concerned with the means whereby a substantial proportion of the public and private expenditure connected with the Model Cities Program may be retained within model neighborhoods as income to their residents. Accordingly, they urge (a) that contractors hire model neighborhood residents for work within that neighborhood, and (b) that neighborhood construction firms and suppliers of goods and services be afforded a maximum feasible role in the Model Cities Program. In essence, authors of that program look to such "pump priming" to stimulate the economic and social rebirth of model neighborhoods.

Federal Opportunity Requirements

To further economic participation by model neighborhood residents, the Federal Model Cities Law of 1966 sets forth, among its major objectives, the expansion of housing, job, and income opportunities and the reduction of underemployment and enforced idleness. To qualify for federal financial assistance, local governments must assure "maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training." Furthermore, local model cities undertakings must be so designated as to have a "noticeable effect" on problems of the model neighborhood, including the "unemployment rate."

Contractors, subcontractors and others engaged in projects under the Model Cities Program must comply with the Federal Civil Rights Act of 1964 which prohibits racial discrimination in employment and other aspects of any program or activity receiving federal financial assistance. The Civil Rights Act of 1964 further forbids labor unions to deny union membership or employment opportunities to anyone by reason of race, color, national origin, religion or sex.

The Civil Rights Act of 1964 has been supplemented by Executive Order 11246 of 1964, promulgated by President Lyndon B. Johnson. The order empowers the United States Secretary of Labor to make regulations to assure non-discrimination in employment by contractors and subcontractors engaged by either federal agencies or applicants for federal assistance. Under it, contractors and subcontractors must take "affirmative action" to assure equality of employment opportunities and must file compliance reports with the U. S. Labor Department and with the federal agencies in charge of these assistance programs. This "affirmative action" must cover such aspects as employment, upgrading, demotion, transfer, recruitment, lay-offs, pay, and selection for training (including apprenticeship). State and local entities participating in federally-aided construction must cooperate with the foregoing federal authorities in obtaining compliance with the order.

Related Massachusetts State Requirements

In Massachusetts, the foregoing federal equal opportunity policies are supplemented by the anti-discrimination statutes administered by the Massachusetts Commission Against Discrimination (MCAD). These statutory provisions are found mainly in Chapter 151B of the General Laws, which makes it an unlawful practice for employers and unions to deny employment opportunities to anyone because of his race, creed or color. "Employers" subject to these prohibitions include state and local government agencies, and private employers of six or more persons, but do not include religious institutions and certain non-profit organizations.

The policies of the Massachusetts Anti-Discrimination Law are supplemented by the Governor's Code of Fair Practices issued in 1966 by the then Lieutenant-Governor Elliot L. Richardson, acting as Governor during the absence of Governor John A. Volpe. This "code" was not promulgated as an executive order, but as a basic policy guideline for agencies of the state executive branch. The code stipulates that every state contract for public works or for goods or services shall contain an article prohibiting discriminatory employment practices by contractors and suppliers of goods or services based on race, color, religion, national origin, ancestry, age or sex; contractors must give written notice of their commitments

under the code to any labor union with which they have a collective bargaining or other agreement.

Black Complaints Concerning Practices of Building Trades Unions and Contractors

Within the past several years an increasingly bitter controversy has developed nationally between Black organizations and civil rights groups on one side, and building trades unions and construction contractors on the other, over charges by the former group that Black and Puerto Rican workers are being excluded from more than "token" membership in those unions. Extensive public hearings on this issue were held in Boston on June 25-26, 1969 by the Massachusetts State Advisory Committee of the United States Civil Rights Commission. On this occasion the NAACP, the Urban League and other minority group organizations contended that the building trades unions have, in most instances, permitted only "token" integration of Black and Puerto Rican people into their membership in order to give the appearance of compliance with federal and state civil rights and anti-discrimination laws.

These minority group complaints were underscored in testimony by the Chairman of the MCAD, Mrs. Erna Ballantine, who reported that within the past few months the MCAD has initiated nearly 250 complaints of unlawful discrimination against 25 union locals and five large construction firms in the Boston area. The Chairman of the MCAD declared that the Commission "has reason to believe that there exists a pattern of both overt and covert discrimination" in the building construction industry in Massachusetts.

Complaints re Apprentice Training Practices

The relative small non-White participation in apprentice training programs in Massachusetts was cited in hearings before the State Advisory Committee to the U. S. Civil Rights Commission as symptomatic of the problem faced by Black persons seeking employment in the construction industry.

Currently, these apprentice training programs must meet certain minimum standards prescribed by statutes administered by the and Industries and the Director of the Division of Apprentice Training in the State Department of Labor

ing in the administration of the Apprentice Training Law. With Council approval, the Director may establish "local and joint apprenticeship committees", which may also be set up under the provisions of collective bargaining agreements. These committees are usually composed of management and union representatives. In the building trades, such committees are set up on a local basis by each trade within each of its bargaining areas, rather than state-wide; each committee conducts its own apprentice training program, and establishes its own testing procedures for determining the "qualifications" of applicants for admission to their training programs, subject to its collective bargaining arrangements. Usually, to be qualified, applicants must possess a high school diploma and must pass both written and oral tests.

In testimony before the State Advisory Committee to the Federal Civil Rights Commission, spokesmen for Black organizations complained that subjective factors such as "motivation" and "attitude" were being given excessive weights in the oral or interview portions of these tests, to the detriment of minority group apprenticeship applicants. In support of these views, Urban League spokesmen cited data revealing that in June 1969 only 58 non-Whites among the 3,134 apprentices enrolled in programs of the building and construction trades. (More recent statistics for April 1969 show a total of 81 non-White apprentices among 3,750 building trades apprentices.) Data supplied by ten Boston area locals of building trades unions to the State Advisory Committee to the Federal Civil Rights Commission revealed that their Black journeymen members comprise a very small percentage of their total membership.

Response of Building Construction Industry

If minority citizens are to be helped substantially, union officials state that they must be trained to the same level of competence as White citizens, so that there will be no suspicion in the minds of employers that a Black craftsman is an inferior workman who has received his certificates on a "charity" basis. Furthermore, it is argued, apprenticeship must offer the trainee a reasonable prospect of employment, and not funnel him into a trade already suffering from significant unemployment.

Officials of the State Division of Apprentice Training attribute

the present low rate of participation by Blacks and Puerto Ricans in apprenticeship programs of the building construction industry to (a) the failure of these minority group members to apply in greater numbers for admission to apprentice training, and (b) the educational deficiencies of many Black applicants. Division officials regard oral or interview tests of applicants for apprentice training as legitimate so long as the ethnic or religious status of the applicant is not considered in rating him. These officials state that an applicant's "motivation" or "attitude" toward his appearance, work and prospective trade are important to the apprenticeship committee in evaluating his chances of completing the apprentice training program successfully.

Accordingly, union officials feel that the thrust and purpose of the apprentice training programs and restrictions applying thereto are misunderstood by critics who envisage the construction industry as a "make-work substitute for the WPA." They accuse such critics of wishing to scuttle standards in order to promote "racial quotas" in the hiring of construction workers.

Within the past two years, the Building and Construction Trades Council of Boston in cooperation with management have formulated at least three programs to increase non-White employment in the construction industry.

Of the three programs, the first was a "Construction Career Day" which was to be conducted early in 1968 to alert high school students and the minority community to employment opportunities in the construction industry and to apprenticeship programs. The "career day" plan collapsed when it failed to receive adequate support from Black community leaders. Subsequently, the Building and Construction Trades Council tried unsuccessfully to initiate an "Apprentice Outreach Program" for the active recruitment of Black and other non-White young men into the construction industry in the Boston metropolitan area. This plan also failed to win the support of the Black community in Boston because of disputes over complaints of "tokenism." Thereafter the Building and Construction Trades Council formulated its third program in its "Urban Housing and Model Cities Agreement for Boston and Cambridge" with the Associated General Contractors of Massachusetts (A.G.C.) and the Building Trades Employers' Association of Eastern Massachusetts

(B.T.E.A.), signed on August 16, 1968. The Cities of Boston and Cambridge, or their model cities agencies, are not parties to the agreement.

Construction Industry Model Cities Agreement

This agreement hereinafter referred to briefly as the "Construction Industry Agreement," establishes a program for the recruitment of residents in the areas under development as (a) trainees, (b) advanced journeymen trainees, and (c) fully qualified mechanics or laborers. An Administrative Committee composed of union and management appointees is responsible for seeing that the program authorized by the agreement is carried out. To that end, it may contract with individuals and community organizations for the purpose of recruiting and counseling job trainees.

There is also an Operations Committee consisting of union, management, and community members. Acting in concurrence with the apprenticeship committee of each craft concerned, this committee must determine the experience equivalency of each applicant for participation in the training program.

To implement the policies of the Construction Industry Agreement, the Administrative Committee has entered into a contract with the Workers Defense League A. Philip Randolph Educational Fund, Inc., under which the latter organization is (a) to train 150 residents of the Boston "ghetto" in the building crafts, and (b) to recruit and place 50 minority group apprentices. Approximately \$227,000 of federal funds have been made available to its Boston project by the United States Labor Department.

Relationship of Agreement to Boston Model City Program

As originally proposed to the Boston City Council by the Boston Model City Administration in October 1968, the Boston application for federal financial assistance for a "Comprehensive City Demonstration Program" provided for the training of 2,000 model neighborhood residents as construction workers during the first three to five years of the program. At hearings before the City Council's Urban Renewal Committee, the spokesmen for model neighborhood groups demanded that the building and construction trades unions be denied a controlling role in the employment program since their alleged discriminatory practice over many years had deprived Black

people of fair employment in the construction industry. The Construction Industry Agreement was denounced as "tokenism," and evidence that the unions could not be trusted, because it authorized only 200 trainees a year or 1,000 such trainees over a five year span.

Critics of the proposal, including the Building and Construction Trades Council protested that the 2,000-trainee goal was unrealistic in terms of the industry's needs. They also charged that the proposed plan could be interpreted to bar union labor and union contractors and their subcontractors from construction under the jurisdiction of the Model City Administration.

Subsequently, on the recommendation of its Urban Renewal Committee, the Boston City Council revised the employment provisions of the Model City Plan to reflect a compromise of these conflicting views and interests.

Employment Programs of Other Massachusetts Model Cities

The eight other model cities agencies in Massachusetts indicate that their employment programs for neighborhood residents are, in most instances, in the formative stage. In general, while factors found in the Boston situation are present in the other eight localities, they appear to be of a lesser magnitude in most cases since the Black and Puerto Rican populations involved are less numerous.

Opportunities for Neighborhood Firms

Efforts to provide model neighborhood contractors with a greater share of public contracts in Massachusetts are hindered by statutes which favor the large, experienced firm over small firms in the award of these contracts. These statutes require contracts for governmental projects to be awarded to the "lowest responsible and eligible bidder on the basis of competitive bids". This same requirement pertains also in respect to state public works projects generally, state purchases of supplies, and school busing contracts. Similar provisions relative to municipal contracts are found in some local charters.

The courts allow considerable latitude to the contracting government agency to determine which low bidders are "responsible" and "eligible" in terms of past performance, present financing and equipment. Ghetto-owned firms, lacking extensive equipment and finan-

cial resources in comparison with White competitors, are likely to be held "ineligible" or "not responsible" by the agency officials. Yet, according to model cities authorities, there is a need for Negro-owned firms in both new construction and renovation work in the ghetto, and for ghetto sharing in this contracting business. Hence, some model cities officials suggest that different procedures are necessary to permit this development, such as a state program paralleling the Federal Small Business Administration assistance to smaller contractors on federal projects.

Public Transportation

Officials of Massachusetts model cities agencies stress the importance of adequate moderate-fare mass transportation services to the successful rehabilitation of blighted urban areas and their populations. These officials point out that there must be an effective commuter line between urban renewal and model neighborhoods, on the one hand, and employment sites in other parts of the inner city and its suburbs, if real inroads are to be made in the unemployment problem of the poor.

Accordingly, authorities interested in the Model Cities Program favor the development by the General Court and the executive branch of the State government of a state mass transportation program, to which the Model Cities Program can be related. They suggest that in the 79-communities served by the Massachusetts Bay Transportation Authority (MBTA) consideration be given to the extension of rapid transit lines to more suburban employment sites, the possibilities of better "circumferential" transit service, and improved tie-ins of the transit system to the model neighborhood. Only modest usage of the service is reported so far.

Public Health Facilities and Services

The problem of health services and health care facilities are not peculiar to the model cities or even to the municipalities in which model city areas are located. Inasmuch as many health deficiencies result from adverse conditions some of which are regional in their reach, efforts to deal with these problems only within the model cities themselves are likely to produce meagre results.

The model city, its parent or core city and the whole region, suffer adverse public health consequences from substandard housing. The failure of local governments to enforce health and building safety laws and ordinances produces rodent-infested structures, disease-breeding toilet and other unsanitary facilities, personal injuries from unsafe staircases, and other health blight. To rectify those conditions, model cities administrators advocate a major revision of code enforcement statutes.

The environmental health problems of model cities and their regions are vastly more important than the health care problems which attract the most immediate public attention. They transcend municipal boundaries, are a matter of state and regional concern and cannot be solved within the model city's districts alone. The most significant of these environmental health problems are (1) air pollution, (2) water pollution, and (3) solid waste disposal.

The Model Cities Program encourages experimentation and innovation in the solution of the health problems of blighted areas. However, some authorities complain that it is an exercise in frustration, as practiced in Massachusetts, because of local obstructions, the absence of regional approaches, and underfunding.

Public Schools

State Policy re Unified Schools

For more than a century, the Massachusetts statutes have centralized in one elected school committee in each city and town the exclusive responsibility for establishing local educational policy within statutory standards, fixing the level of school expenditure and hiring personnel for the local public schools. This practice was established after an unsatisfactory experience earlier in the Nineteenth Century with statutes which permitted towns to divide into two or more independent school districts; such laws allowed the more affluent areas of a town to form their own school district, leaving the poorer neighborhoods to struggle with minimal financial resources. Since 1949, two or more towns may form regional school districts for the purpose of constructing, acquiring and operating regional schools. On the other hand the partitioning of any city or town to form such a school district is not authorized by law.

Neighborhood Control of Schools

In Boston, as in New York and some other large American cities, demands have been voiced by Black organizations and other groups for some degree of decentralization of the massive, monolithic city public school systems. Proponents of such schemes wish to give the voters of historic neighborhoods and of Black and other "minority" areas a significant voice in the administration of their neighborhood schools. Proposals on this score range from a mild demand for neighborhood advisory committees attached to such schools, to substantive proposals for the division of the city into semi-autonomous neighborhood school districts, each governed by its own board of education or school committee with the power to hire personnel and to set school policy.

"Neighborhood control" advocates claim that the public school systems of the larger cities have developed into "bureaucratic empires" which suffer from institutional academic and "city hall" politics. Administrative minutia and an increasing degree of remoteness from the people result from this situation. Supporters of neighborhood control complain that the large city school systems have allowed schools in disadvantaged neighborhoods to deteriorate, and that this deterioration has been accelerated in part by racial bias and by taxpayer resistance to new school expenditures which must be financed from real estate taxes.

Opponents of the concept of "neighborhood control" of the schools object vigorously to any division of the city into autonomous school districts with the power to appoint school personnel and to set educational policy. Such measures are described by opponents as an effort to dismantle and balkanise public education in the city. Unless a central city school authority retains authority for personnel, purchasing, budgeting and special services, opponents foresee duplication, inefficiency, waste and financing problems exceeding those now complained of by city taxpayers. Citing the experience of New York City, opponents predict severe collective bargaining conflicts between the school management and school employee unions if the personnel function is decentralized.

Equalizing Educational Opportunities

The Racial Imbalance Law, which withholds state financial assist-

ance from schools characterized by “de facto segregation”, is causing problems in the model cities not only in terms of emotional politics but in a practical sense as well. If a racially-imbalanced community is large both in terms of population and area, imbalanced schools may result in spite of all redistricting efforts, and because involuntary bussing is forbidden by the law. Parents of elementary school ghetto children may be concerned about the long day and the distance which may be involved in bussing small youngsters across the city or to suburban schools. Moreover, White families may move if their area is embraced in a “ghetto” school attendance district, thus causing the school to revert to an imbalanced state, with a resulting loss of state aid.

Some “Black Power” advocates doubt that truly integrated schools can be achieved and maintained as such because of “White racism” and the practical difficulties of trying to compel White families to remain in an integrated school attendance district if they don’t wish to do so. Accordingly, Black Power groups insist that the answer lies in Black-controlled Black neighborhood schools. Integrationists, on the other hand, condemn the “neighborhood school” concept as being no more valid when championed by Black Power advocates than when it was advanced by “White separatists”. In their view, integration must come or the minority community will be left with a neighborhood-controlled “educational wasteland.”

In the judgment of some integrationists, the Racial Imbalance Law fails because it tries to solve the problem of de facto segregation within the boundaries of territorially small individual cities. Hence, it is argued that the desired balancing of inner city schools—including those of model neighborhoods—can be achieved only on a metropolitan basis, in conjunction with a metropolitan approach to the housing problem. Model cities officials tend to agree with this view.

A metropolitan approach to school administration appeals to model cities authorities, specialists in intergovernmental relations and many educators for financial reasons as well. They cite a model law, proposed by the Federal Advisory Commission on Intergovernmental Relations in 1969, for the establishment of Metropolitan educational equalization authorities. Any effort to “metropolitanize”

either school finance or school administration is bound to provoke intense resistance from outlying communities on ideological and financial grounds. Communities whose property tax burden for the support of the schools would increase under metropolitan school financing schemes are unlikely to embrace such arrangements voluntarily. Beyond that, however, is the strong feeling in suburban communities that a "metropolitan" school system will be a more costly system without necessarily being a better quality school system.

The continued heavy reliance of local public schools in Massachusetts upon the municipal property tax has been cited by educators and by authorities concerned with urban rehabilitation as a factor in urban blight. The costs of local schools constitute the largest single functional segment of the budget of each city and town in the Commonwealth, and consume the "lion's share" of local real estate tax revenues. Statewide, 62% of the real estate tax burden is attributable to the public schools. A newly-published study, by the Massachusetts League of Cities and Towns, of school costs in 15 selected communities revealed that their costs are increasing more rapidly than the volume of state financial assistance to the schools. As local school costs rise due to inflation and to increasingly sophisticated educational needs, they contribute to urban blight in at least two ways.

First, because the public schools enjoy a statutory "priority call" on available local funds in every community except Boston, they must be satisfied at the expense of services and capital improvements in other sectors of municipal responsibility. In this struggle for available tax dollars, disadvantaged neighborhoods often bear the brunt of local "economy" drives, with a resulting spread of blight.

Secondly, to the extent that heavy local school costs force local property tax rates upward, they increase the costs of (a) home ownership, and (b) housing rentals, to the mounting disadvantage of low and middle income families. Likewise, they increase the costs of doing business for small neighborhood concerns. High property taxes may force property owners to postpone necessary maintenance, with a resulting deterioration of the physical property in

question. High local property tax burdens also discourage new investment in blighted areas.

Consequently, within the past few years, increasing interest has been expressed by educators, planners, mayors and other authorities in ways and means whereby basic school operating costs may be wholly underwritten by non-property tax revenues, in order to spur housing construction, and to free education from involvement with the inflexible and regressive real estate levy.

Commonwealth of Massachusetts

SELECTED PROBLEMS OF URBAN REHABILITATION
IN MASSACHUSETTS

CHAPTER I. INTRODUCTION

*Origin and Scope of Study**Origin of Study*

This report by the Legislative Research Council stems from a joint order proposed by Senator Joseph D. Ward of the Third Worcester District, Chairman of the Council, on December 11, 1967 (Senate, No. 1522). That study directive, reprinted on the inside of the front cover of this document, required the Council to investigate a broad range of problems relating to the rehabilitation of blighted urban areas and their populations, including (a) optimum approaches relative to urban decay, (b) the physical rehabilitation of such areas, (c) techniques for elevating the living, housing, income and social standards of these areas, and (d) the correlation of federal, state and municipal efforts in respect to the foregoing.

The Order, Senate, No. 1522, was adopted by the Senate on December 11, 1967, and by the House of Representatives, in concurrence, on December 28, 1967, upon the recommendations of their respective committees on Rules and Ways and Means. The reporting deadline of this study, originally December 28, 1968, was subsequently extended to July 30, 1969 by unnumbered joint orders adopted by the two branches in January and February of the current year.

The proposed study order reflected Senator Ward's concern relative to the effectiveness of existing federal, state and local efforts to eradicate present-day blight in the communities of Massachusetts, and the adequacy of governmental programs with respect to the prevention of further decay in urban areas. Clearly, if these programs were to concentrate on the "cleaning up" of existing

blight while failing to stem future blight, the federal, state and local governments would find themselves in a losing battle. Furthermore, Senator Ward believed that since the urban crisis is very large, and state-local financial and personnel resources are very limited, the adequacy and effectiveness of governmental programs in the urban area is a matter of prime legislative interest.

This study proposal was supported by Senator John J. Moakley of the Fourth Suffolk District, then Senate Chairman of the Joint Committee on Metropolitan Affairs, who was particularly interested in programs relating to low and modest income housing. He doubts whether the urban housing problem can be solved unless housing authorities are established on a regional basis, rather than on a municipal basis as at present. In addition, Senator Moakley was concerned about the adequacy of state aid programs in minimizing the impact on local real estate tax rates of social service, school, and related public works costs attributable to low and modest income housing projects whether such projects are municipally or regionally administered.

Scope of Study

An examination of the text of the foregoing study directive quickly revealed an assignment of vast scope, embracing every aspect of the "urban crisis" and of governmental programs bearing thereon. At least five major areas are embraced specifically in Senate, No. 1522, namely (a) methods of urban physical rehabilitation; (b) methods of preventing future urban decay; (c) the improvement of living standards which, by implication, involves consideration of educational, employment, health, welfare and housing programs in the low and middle income sectors of urban areas; (d) the improvement of social standards of those areas, which have sociological, educational, law enforcement and recreational implications; and (e) intergovernmental cooperation.

In subsequent discussions with the sponsors of Senate, No. 1522, and with other knowledgeable state officials, the staff of the Research Bureau discerned a substantial interest in such related aspects of that study directive as (a) model cities, (b) improved code enforcement, (c) "new town" programs, (d) changes in the Zoning Enabling Act to permit cluster zoning and planned unit

development, (e) state land use planning and controls, (f) the impact on the urban problem of poverty and inadequate economic opportunities in rural areas, (g) the reorganization and modernization of regional government to permit its more effective use in meeting urban and rural area needs, (h) improvements in the organization and staffing of municipal and state agencies administering urban programs, and (i) greater private enterprise involvement in meeting the urban challenge.

Manifestly, adequate and complete coverage of the full range of subjects embodied in Senate, No. 1522 would require staff, time and funds far in excess of those available to the Legislative Research Bureau for the purposes of that study. Even if it were possible to prepare a report or series of reports dealing in proper fashion with all aspects of the urban rehabilitation issue, it is doubtful that busy legislators would be able to find the time to read them. In addition, the Legislative Research Council and Bureau are mindful of complaints that the urban poor are being "studied to death."

Accordingly, after conferences with the sponsors of Senate, No. 1522 and with federal and state administrative officials, it was decided that the best approach would be to limit the Legislative Research Council report to certain selected problems of urban rehabilitation in Massachusetts, with particular emphasis on the Model Cities Program. Therefore this Council report discusses, in the following four chapters, (1) urban growth in the United States and Massachusetts, (2) the governmental response to the "urban crisis," (3) the background and scope of the Model Cities Program, and (4) problems encountered in the Model Cities Program in Massachusetts.

Housing programs identified with current urban problems in Massachusetts, code enforcement in Massachusetts, "new town" possibilities in meeting the urban challenge, and the role of regional government in meeting that challenge are to be the subjects of reports by the Legislative Research Council to the 1970 General Court, pursuant to an unnumbered joint order adopted by the Senate on July 15, 1969 and by the House of Representatives, in concurrence on July 23, 1969.

The impact of zoning in the inner cities and their suburbs upon

urban housing and rehabilitation programs has been explored exhaustively in the recent Legislative Research Council report titled *Restricting the Zoning Power to City and County Governments* (Senate, No. 1133 of 1968; 196 pp.). The latter document is one of 30 major reports dealing with various facets of the urban problem which have been published by the Legislative Research Council since 1956. These publications are listed in Appendix A of this report.

Study Procedure

To gather information desired for this study, the Legislative Research Bureau had recourse of a wide range of agencies and authorities concerned with, and knowledgeable in, the field of urban affairs.

At the federal level, extensive research materials were provided to the Research Bureau by (a) the United States Department of Housing and Urban Development, (b) the United States Department of Agriculture, and (c) the Federal Advisory Commission on Intergovernmental Relations. The last-named agency graciously permitted a member of the Research Bureau staff to examine its research file materials and certain manuscripts, and made available the time of one of its urban specialists for conference purposes. The Research Bureau also solicited the information and views of the two United States Senators from Massachusetts — the Hon. Edward M. Kennedy and the Hon. Edward W. Brooke — both of whom have a special interest in the effectiveness of federal, state and local programs to eradicate and prevent urban decay. In addition, certain national organizations were contacted for research materials, including the American Institute of Planners, the American Society for Public Administration, the Center for the Study of Democratic Institutions, the Council of State Governments, the National Association of Home Builders, the National Governors' Conference, and the Real Estate Research Corporation.

At the Massachusetts state-local levels, a variety of authorities provided generous cooperation. For information as to legislative background, past legislative study reports and past governors' messages were scrutinized; and a Research Bureau staff member conferred with (a) Senator Joseph D. Ward of Worcester, author of the study directive, (b) Senator John J. Moakley of Suffolk, Sen-

ate Chairman of the Joint Committee on Urban Affairs and a co-sponsor of that study directive, and (c) Senator Samuel Harmon of Suffolk, former Senate Chairman of the now-defunct Special Joint Committee on Low Income Housing. Other technical information and views were provided to the Research Bureau, on its request, by representatives of state administrative agencies, notably (a) the Divisions of Housing, Planning, and Urban Renewal in the Department of Commerce and Development, (b) the Department of Community Affairs, (c) the Central Services Division of the Executive Office of Administration and Finance, (d) the Department of Public Health, (e) the Division of Apprentice Training in the Department of Labor and Industries, and (f) the Department of Education.

The Research Bureau is particularly grateful for the very extended assistance so generously provided by the Hon. Julian D. Steele, formerly Deputy Commissioner of Commerce and Development and Director of the Division of Urban Renewal, and now Commissioner of Community Affairs.¹ Through the efforts of Commissioner Steele and his staff, conferences were arranged between Research Bureau staff members, specialists on the staffs of the Department of Commerce and Development and of Community Affairs, and the administrators of local model cities agencies of Massachusetts. In addition, pertinent statistics and research materials were assembled by the Commissioner's staff in response to Research Bureau requests.

Further Massachusetts information and materials were furnished to the Research Bureau by officials of the City of Boston, by Action for Boston Community Development Inc., by the Massachusetts League of Cities and Towns, by the Bureau of Public Affairs of Boston College, and by civil rights groups including the Urban League and NAACP. A staff member of the Research Bureau attended (a) hearings of the Boston City Council relative to the Kerner Commission Report² and the Boston Model Cities Plan, (b)

¹ The Department of Community Affairs came into being on November 1, 1968, under the provisions of the Acts of 1968, c. 761, which abolished the Divisions of Urban Renewal and Housing and certain other units within and without the Department of Commerce and Development, and transferred their duties and personnel to the new department aforesaid.

² National Advisory Commission on Civil Disorders, *Report*, Washington, D. C., U. S. Government Printing Office, 1968, 448 pp.

the Governor's Conference on State, County and Municipal Government in Amherst, Mass., in June of 1968, (c) the Eighth Annual Conference of the Massachusetts League of Cities and Towns in Malden, Mass., in August of 1968, and (d) hearings of the State Advisory Committee to the Federal Civil Rights Commission held in Boston on June 25-26, 1969.

Finally, to obtain information as to selected urban policies and programs of state and local governments elsewhere in the nation, the Research Bureau sent general and individual letters to state legislative research, legislative reference, planning, development and community affairs agencies of all other states. Of these states, 32 answered a questionnaire relative to model cities programs in their states; 48 responded to a general questionnaire relative to "new town," cluster zoning and planned unit development practices; 34 replied to a questionnaire on state urban policy; 25 answered a circular for copies of urban study reports; and eight responded to individual letters of inquiry on particular aspects of their programs in urban areas. Additional data was supplied by regional and municipal agencies in the District of Columbia, Georgia and New York. Foregoing information obtained relative to housing, "new towns," and code enforcement will be discussed in the forthcoming Legislative Research Council reports on these subjects, due in early 1970.

The Research Bureau expresses herewith its sincere appreciation for the excellent cooperation demonstrated by officials of the above-cited federal, state, local and private authorities in answering these many inquiries so faithfully.

CHAPTER II.

URBAN GROWTH IN THE UNITED STATES AND MASSACHUSETTS

Urban Growth in the United States

National Trends

Within barely two centuries, the United States has grown from a relatively puny federation of 13 states with 3.92 million inhabitants — most of them in rural areas — to a giant union of 50 states containing 179.3 million people — most of them urban dwellers —

in 1960, as indicated in Table 1 below. Since 1900, the national population has increased each decade at the rate of between 14.5% and 21%, except at 7.2% rate of increase during the Great Depression Decade (1930-1940).

Table 1. The Growth of the United States, 1790-1960

	1790	1860	1910	1960
Number of States	13	33	46	50
U. S. Land Area (million sq. mi.) ¹ . . .	0.86	2.96	2.96	3.54
National Population (millions) ¹	3.92	31.44	91.97	179.32
National Pop. per sq. mi. ¹	4.5	10.6	21.0	50.5
Communities of 10,000 or More in Population:				
Number	5	168	597	1,899
Total Population (millions) ¹	0.10	4.64	34.05	97.36
Population as Percent of National Population	2.9%	14.7%	37.0%	54.3%

¹ Source: U. S. Dept. of Commerce, Bureau of the Census.

Factors Contributing to Urban Growth in the United States

Various factors have contributed to this tremendous growth of the nation.

First: the expansion of the national territory to four times its original size through purchase and conquest opened vast acreages to settlement and development. Rapid settlement of this territory was stimulated by (a) low-priced land sales under the Land Ordinance of 1785 and the Preemption Act of 1841, (b) free land under the Homestead Act of 1862, (c) the eviction of the Indians from their tribal lands, (c) the construction of canals between 1800 and 1850 and of railroads after 1829, (d) natural population growth, and (e) immigration from Europe which was substantially unrestricted until 1921. The Old Frontier had vanished by the early 1890s.

Secondly, the development of urban areas was sparked by the Industrial Revolution, which began in Great Britain in 1769, and which spread to North America where it became firmly established by the 1830s. The United States was a full-fledged industrial power by the time of the Civil War, with scores of mill towns and factory cities. Periods of prosperity in maritime commerce between 1783-1800 and 1830-1870 stimulated the growth of seaport cities which

attracted manufacturing development. The trolley car, commuter railroad and automobile opened the fringes of cities to suburban growth and helped to spread the cities outward.

Characteristics of Urban Growth in the United States

In an article published by the Joint Economic Committee of Congress, Professor Daniel J. Elazar of the Political Science Department of Temple University has stressed the role of agrarianism, metropolitanism and "nomadism" in the development of American cities, and has noted significant differences between urban growth in the United States and that of Europe.

Of agrarianism, he stated that —

Since the Nation's founding, American values have been rooted in a vision of a commonwealth that supports and encourages the agrarian virtues of individual self-reliance and family solidarity within a cooperating community of freeholders where class distinctions are minimal, supported by the ownership of private property with an emphasis on the protection of property owned by its users; a commonwealth enhanced by the religious spirit and embracing settlements set in a garden. This agrarian ideal has held the qualities of urbanity, sophistication, and cosmopolitanism to be seriously suspect despite their undeniable attractiveness.¹

Hence, Americans have flocked to cities for their economic advantages and to escape rural isolation and provinciality. At the same time, Elazar notes, they have tried to preserve as much as possible of the agrarian life pattern; as a result, there has been "the conversion of urban settlement into metropolitan ones whose very expansiveness provides the physical means for combining something like rural and urban life styles into a new pattern which better suits the American taste." By-products of these forces include (a) a fragmented local government system which reflects a desire for the maintenance of the small community to control crucial local functions, and (b) an emphasis upon home-ownership and low-density development.²

¹ Elazar, Daniel J., "Urbanization and Federalism in the United States." *Urban America: Goals and Problems*, Joint Economic Committee of the Congress of the United States, Joint Committee Print, 90th Congress, 1st Session, U.S. Gov't Printing Office, Washington, D. C., 303 pp. At pp. 192-209.

² Elazar, Daniel J. *op. cit.*, p. 199.

A second characteristic of American urban growth, metropolitanism, is attributed by Elazar to the fact that, except for factory towns, cities of this nation were not created as self-contained units, but to serve as centers for larger areas. In this respect, he found a similarity between American cities and those of ancient Palestine which depended on their hinterland and developed not to be the state but rather to serve certain functions within an existing civil society and political jurisdiction. In contrast, the great cities of Europe arose in most instances as complete political and economic units which offered their residents a self-contained way of life. Elazar stressed that in the United States, urbanization and "satellite" suburbanization have gone hand-in-hand from the beginning. Metropolitanism thus came into its own when suburbanites no longer felt that their style of life could be maintained if their communities were annexed by the core city.¹

The third factor cited by Elazar, "nomadism," refers to the highly mobile characteristics of the American population which has been magnified with the advent of the railroad, automobile and airplane, and by economic development. Today, one family in five moves every year, in search of opportunity. This migration flows from the rural areas to the suburbs and central cities, from central cities to their suburbs, and between urban areas. The "megalopolis" of contiguous urban areas is a direct product of this "nomadism."²

The unique and formidable characteristics of urban growth in the United States have been portrayed in these terms in a recent report of the National Commission on Urban Problems:

The United States is undoubtedly the world's most dramatic example of four developments which have profoundly affected man and society. These developments are: population diversification and the accelerated tempo of technological and social change. Each of these developments is embodied in the metropolitan agglomerations of population which characterize American society; and an understanding of them helps to illuminate "the urban crisis" with which this nation is confronted.

The population explosion refers to the remarkable acceleration in the rate of population growth, especially during the past three centuries, both of the world as a whole and of the United States. When our first national census was taken in 1790 this was a nation of fewer

¹ Elazar, Daniel J., *ibid.*, pp. 201-205.

² Elazar, Daniel J., *op. cit.*, pp. 202-203.

than 4 million persons. In contrast our 18th Decennial Census, in 1960, reported a population of 179.3 million. In 1968 the population of the United States exceeds 200 million. Moreover, even with recent fertility declines, it is almost certain that we shall reach the 300 million mark by the end of this century—a scant 32 years hence.

The population implosion refers to the increasing concentration of people on relatively small proportions both of the world's and America's land surface—a phenomenon better known as urbanization or metropolitanization. In 1790, 95 percent of the population of this nation lived in rural places—on farms or in places having fewer than 2,500 inhabitants. Only 5 percent of the population resided in urban places (places of 2,500 or more). There were only 24 such places in the country and only two of them, New York and Philadelphia, had populations exceeding 25,000.

By 1960, 70 percent of the population were inhabitants of urban places and 63 percent of Standard Metropolitan Statistical Areas, SMSA's—in general, places of 50,000 or more and the counties in which they are located.

The United States did not become an urban nation, in the sense that more than half of our people lived in urban places, until as recently as 1920. The census of that year reported that 51 percent of the American people had become urban residents. The rapidity of the transformation of the United States from an agrarian society to an urban order is highlighted by the fact that it will not be until after the next census is taken in 1970 that this nation will have completed her first half century as an urban nation.

Population diversification refers to the increasing heterogeneity of peoples occupying not only the same geographical areas but, also, the same life space. Crowded into our urban and metropolitan areas are peoples diverse by culture, by language, by religion, by ethnicity and by race.

Although the early European settlers in the United States were predominantly from the United Kingdom, African Negroes were brought in during the 17th Century and made up about one-fifth of the total population between 1790 and 1810. Between 1820 and 1966 some 44 million immigrants predominantly of European stock entered this nation. . . . By 1960, native-whites of native parentage made up 70 percent of the total. Foreign white stock still constituted almost one-fifth of the population and non-whites the remaining 11 percent.

Finally, the accelerating tempo of technological and social change requires no elaboration. Certainly, this nation is history's example *par excellence* of both.

The four developments considered are interrelated and are manifest in metropolitanism as a way of life. The population explosion fed the population implosion. Both fed population diversification. All three were both antecedents and consequences of technological and social change.

Man, as the only cultural building animal on the face of the globe, has, in effect, created the urban and metropolitan order and he is still trying to learn to live with it. The urban crisis in the United States, including physical, personal, social, intergroup and governmental problems, may be better comprehended as frictions in the transition still under way from an agrarian society to a metropolitan order.¹

Problems of Definition

Discussions of the "urban population," "urban needs" and the "urban crisis" are handicapped to some extent by different interpretations among authorities as to what is "urban" and what is not.

As indicated in the report of the National Commission on Urban Problems above, the United States Census Bureau considers as "urban" those communities with 2,500 or more inhabitants. Its Standard Metropolitan Statistical Areas (SMSA's), numbering 212 with a total population of 112.9 million in 1960, each consist of a central city of 50,000 or more inhabitants plus contiguous "urban" communities or counties; the central cities of these 212 SMA's of 1960 had 58 million inhabitants. On this basis, 69.9% of the 1960 American population was "urban." However, this Census Bureau measure of "urbanness" embraces much rural territory, where the same is part of a county having an urban section of 50,000 or more.

Thus, Prof. Elazar has questioned whether the United States is a nation of cities to the extent suggested by some statistics of the Census Bureau. He noted that if one uses 1,000 people per square mile to indicate urban population density and 500 people per square mile to measure suburban population density, 17 states have no urban or suburban areas, and in only five states of the Northeast do 30% or more of the counties fall in these categories. Hence, he argues that what is developing in the United States is "a wide spread of relatively low-density population engaged in urban economic pursuits, many of whom live on plots of land which would look large to a pre-1949 Chinese farmer." He described urban development in this country as uneven, with the consequence that problems exist in different degree from place to place; these prob-

¹ National Commission on Urban Problems, *The Challenge of America's Metropolitan Population Outlook — 1960 to 1985*, Research Report No. 3, U. S. Govt. Printing Office, Washington, D. C., 1968, 96 pp. At pp. 1-2.

lems of citification and social change exist in their most severe forms for only a small portion of the total urban population.¹

Another authority, Prof. James Q. Wilson of Harvard University, has remarked that —

While it is true that 70 per cent of all Americans live in urban places... (as defined by the Census Bureau)... it is an empty truth... when one realizes that for most of these people their "urban place" has less than 50,000 people living in it. Over 58 percent of our population lives in small-town America; less than 10 percent lives in the cities with over a million people that we often have in mind when we think of big-city America. And it is the small places, not the giant ones, that are growing. The percentage of people living in towns of less than 50,000 has increased by 50 per cent since 1920; the percentage living in cities of over a million (or even of over 500,000) has scarcely increased.²

Urban Growth in Massachusetts

Urban Growth to Date

With some local variations, the pattern of urbanization in Massachusetts has followed that described above for the whole nation. The first large communities to emerge were the seaport towns, which were the centers of the fishing and merchant fleets and of the shipbuilding industry from early colonial times. With the rise of manufacturing industries — notably textiles — in the early 1800s, the formation of manufacturing communities was stimulated.

Eventually, some of these communities attained such size that their administration by town forms of government became impractical and city forms of municipal government were authorized by constitutional amendment in 1821.³ At least 42 towns were incorporated as cities between 1822 and 1923, as indicated in Table 2 below. In addition, major changes were authorized in the town

¹ Elazar, Daniel J., "Urbanization and Federalism in the United States," *Urban America: Goals and Problems*, Joint Economic Committee of the Congress of the United States, Joint Committee Print, 90th Congress, 1st Session, U. S. Govt. Printing Office, Washington, D. C., August 1967, 303 pp. At pp. 192-209.

² Wilson, James Q., "Urban Problems in Perspective," *The Metropolitan Enigma: Inquiries into the Nature and Dimensions of America's "Urban Crisis,"* U. S. Chamber of Commerce, Washington, D. C., 1967. 338 pp. At p. 319.

³ Mass. Const., Amend. Art. II (1821).

system of government to accommodate the larger towns that could no longer function under the traditional "open town meeting" form due to population growth, but which did not wish to become cities.¹

Table 2. Incorporation of Massachusetts Towns as Cities

1822	Boston	1864	Taunton	1890	Chicopee
1836	Lowell	1869	Haverhill		Marlborough
	Salem	1872	Fitchburg	1892	Everett
1846	Cambridge		Somerville		Medford
	Roxbury*	1873	Gloucester	1894	Beverly
1847	Charlestown*		Holyoke	1895	No. Adams
	New Bedford		Newton	1899	Melrose
1848	Worcester	1881	Brockton	1914	Attleboro
1850	Lynn		Malden		Revere
1851	Newburyport	1883	Northampton	1915	Leominster
1852	Springfield	1884	Waltham	1916	Peabody
1853	Lawrence	1888	Quincy	1917	Methuen**
1854	Fall River		Woburn	1920	Westfield
1857	Chelsea	1889	Pittsfield	1923	Gardner

* Boston annexed Roxbury in 1867 and Charlestown in 1874.

** City charter subsequently declared unconstitutional by Supreme Judicial Court in 1921.
236 Mass. 564, *Attorney-General v. City of Methuen*.

The population of the Commonwealth (exclusive of the District of Maine) increased thirteen fold between 1790 and 1960, from 378,787 to 5,148,578 inhabitants. The 1965 state decennial census records a further increase to 5,295,281 persons. Ethnically, approximately 97.5% of this population is Caucasian, 2.2% is Negro and 0.3% belongs to other ethnic groupings.² While it ranks 45th among the 50 states in territorial size (with its land area of 7,867 square miles out of a total area of 8,093 square miles), Massachusetts is tenth among the states in population and has a population density of 679.8 persons per square mile.³ It is the nation's ninth ranking industrial state (1965) with a median annual family income of \$6,272 (in 1960) and a per capita income of \$3,271 (in 1966).⁴

¹ Mass. Const., Amend. Arts. LXX (1926) and LXXXIX (1966).

² Mass. Dept. of Commerce and Development, *Massachusetts Facts Book*, April 1968, 66 pp.

³ Council of State Governments, *The Book of the States*, 1966-67, Vol. XVI, Chicago, Illinois, 1966, 594 pp.; at p. 537.

⁴ *Massachusetts Facts Book*, *supra*.

Table 3.

Standard Metropolitan Statistical Areas in Massachusetts, 1950-1960

Standard Metropolitan Statistical Area	Population	Population Change, 1950-1960		
	1960	1950	Number	Percent
1. <i>Boston SMSA</i>	(2,589,301)	(2,410,572)	(178,729)	(+7.4)
City of Boston	697,197	801,444	-104,247	-13.0
Outside Core City	1,892,104	1,609,128	282,976	+17.6
2. <i>Brockton SMSA</i>	(149,458)	(119,728)	(29,730)	(24.8)
City of Brockton	72,813	62,860	9,953	+15.8
Outside Core City	76,645	56,868	19,777	+34.8
3. <i>Fall River SMSA (Mass. Portion Only)</i>	(128,695)	(131,639)	(-2,944)	(-2.2)
City of Fall River	99,942	111,963	-12,021	-10.7
Outside Core City	28,753	19,676	9,077	+46.1
4. <i>Fitchburg-Leominster SMSA</i>	(82,486)	(74,943)	(7,543)	(+10.0)
Core Cities	70,950	66,766	4,184	+6.3
Outside Core Cities	111,536	8,177	3,359	+41.1
5. <i>Lawrence-Haverhill SMSA</i> (Mass. Portion Only)	(185,592)	(182,368)	(3,224)	(+1.8)
Core Cities	117,279	127,816	-10,537	-8.2
Outside Core Cities	68,313	54,552	13,761	+25.2
6. <i>Lowell SMSA</i>	(160,982)	(135,987)	(24,995)	(+17.6)
City of Lowell	92,107	97,249	-5,142	-5.3
Outside Core City	68,875	38,738	27,137	+70.1
7. <i>New Bedford SMSA</i>	(143,176)	(141,984)	(1,192)	(0.8)
City of New Bedford	102,477	109,189	-6,712	-6.1
Outside Core City	40,699	32,795	7,904	+24.1
8. <i>Pittsfield SMSA</i>	(73,839)	(66,567)	(7,272)	(+10.9)
City of Pittsfield	57,879	53,348	4,531	+8.5
Outside Core City	15,960	13,219	2,741	+20.7
9. <i>Providence-Pawtucket-Warwick SMSA</i> (Mass. Portion Only)	(89,743)	(71,985)	(17,758)	(+24.6)
Outside Core Cities	89,743	71,985	17,758	+24.6
10. <i>Springfield-Chicopee-Holyoke SMSA</i>	(540,145)	(462,705)	(77,440)	(+16.7)
Core Cities	288,705	266,271	22,434	+8.4
Outside Core Cities	251,440	196,434	55,006	+28.0
11. <i>Worcester SMSA</i>	(323,306)	(303,037)	(20,269)	(+6.3)
City of Worcester	186,587	203,486	-16,899	-8.3
Outside Core City	136,719	99,551	37,168	+37.3
<i>All of Above SMSA's</i>	4,466,723	4,101,515	365,208	+8.9

Source: U.S. Census Bureau

Currently, there are population concentrations in eight SMSA's which lie wholly within Massachusetts and in three SMSA's which straddle the state frontier. The former category includes the SMSA's centered on (1) Boston, (2) Brockton, (3) Fitchburg and Leominster, (4) Lowell, (5) New Bedford, (6) Pittsfield, (7) Springfield, Chicopee and Holyoke, and (8) Worcester. Of the three SMSA's which are interstate in character, two are centered on Massachusetts cities, namely (1) Fall River, and (2) Lawrence and Haverhill, while the last includes only suburban territory in Massachusetts and is centered on the Rhode Island Cities of Providence, Pawtucket and Warwick.

As shown in Table 3, these 11 SMSA's include more than 4.46 million (86.7%) of the 5.14 million persons counted in Massachusetts by the 1960 federal decennial census. The greatest population concentration is to be found in the 78 municipalities of the Boston SMSA (2.58 million in 1960), with second and third place going, respectively, to the Springfield-Chicopee-Holyoke SMSA (540,145 in 1960) and the Worcester SMSA (323,306 in 1960).

Collectively, between 1950 and 1960 their eight Massachusetts SMSA's and the Bay State parts of the three interstate SMSA's increased their population 8.9%. Individually, Massachusetts population increases occurred in all SMSA's save one, Fall River, which experienced a 2.2% decline. However, core cities of six SMSA's lost population between 1950 and 1970, the greatest losses being posted in the core cities of the Boston (13.0%), Fall River (10.7%), Worcester (8.3%) and Lawrence-Haverhill (8.2%) SMSA's with lesser declines in the core cities of New Bedford (6.1%) and Lowell (5.3%). On the other hand, core cities increased their populations in the Brockton (15.8%), Pittsfield (8.5%), Springfield-Chicopee-Holyoke (8.4%) and Fitchburg-Leominster (6.3%) SMSA's. In all Massachusetts areas of SMSA's, suburban areas grew rapidly between 1950 and 1960, from a "low" of 17.6% in the Boston SMSA to a "high" of 70.1% in the Lowell SMSA, with the remaining areas showing increases of 24.1% to 46.1%.

Commenting upon these developments, a report by the University of Massachusetts states that —

Metropolitan areas gained, in absolute numbers, nearly three times more population than did non-metropolitan areas, but the percentage

increase was greater for non-metropolitan areas and the proportion of the State's total population in these areas increased. This metropolitan pattern of 1950-60 change is obviously a contradiction of the generalization noting an overall rural to urban shift. However, the greatest gains in non-metropolitan areas were in those cities and towns bordering metropolitan areas. This is to suggest that metropolitan areas are growing to such an extent that they are overflowing their census-defined boundaries. . . . Areas outside central cities in metropolitan areas are increasing proportionally more rapidly than the central cities themselves. In the case of the large metropolitan center, actual decreases in population were experienced (e.g., Boston and Worcester). In every case . . . the percentage change for 1950-60 was greater for the non-central city population than for the central city population.

The decentralizing process noted in metropolitan population for Massachusetts is but a further specification of the well-known suburbanization process characterizing the whole of contemporary United States urbanization. It is to be stressed that the major factor in this decentralization is a dispersal of place of residence, in contrast to a genuine severing of activities tying the population to the central city. Though modified by the appearance of numerous suburban shopping centers which attempt to recreate in areas of greatly reduced density the services available to the urban core, the commercial, occupational and social dependence of metropolitan population remains essentially upon the central city. One needs but to observe the seemingly endless lines of traffic daily moving into and out of the central business districts of our metropolitan areas to be assured that these centers are not withering away. The metropolitan area is in a process of transition from that which urban analysts have termed the mononucleated system to that system termed multinucleated. The services and goods once available only at the center of the urban agglomeration are increasingly becoming available in a series of subcenters. The net result is an even larger and more complex metropolitan system, which it must become to accommodate both an increasing population and a constantly expanding range of specialized activities.¹

Projected Urban Growth

Forecasts of population growth in Massachusetts have been prepared on varying bases by different authorities, all pointing to increased and rapid urbanization of the Commonwealth.

¹ Wilkinson, Thos. O., Dugre, Sylvia and Parent, Joyce, *Massachusetts Population Growth and Redistribution, 1950-1960*, University of Massachusetts, Massachusetts Population Institute, Cooperative Extension Service, Amherst, Mass., May 1963, 24 pp. At p. 8.

A recent report of the State Executive Office for Administration and Finance estimates that the total state population, which was 5.14 million at the time of the 1960 federal decennial census and 5.29 million according to the 1965 state decennial census, will rise to 5.47 million by 1970 and to 5.66 million in 1975. In respect to population mobility, the report noted that the Bay State had gained about 275,000 new residents from other states while "exporting" nearly 340,000 Massachusetts inhabitants, and that it had a "net migration rate" of —104,414 persons (or —1.7%) in the period 1950-60. This negative "net migration" rate was estimated to reach —1.9% or —129,360 persons by 1975, with the result that nearly 25% of the Massachusetts population will have moved interstate during the 1965-75 era.¹

The Metropolitan Area Planning Council has predicted a substantial increase in the population of the 152 Eastern Massachusetts communities lying within 35 miles of the State House from 3.40 million in 1960 to 3.92 million in 1975, 4.73 million in 1990, and 5.36 million in the year 2000. This 40-year increase of nearly two million people is projected to take place primarily in suburban segments of the region. On the basis of the region's 2,300 square miles of land area, this represents an increase from a population density of 1,480 persons per square mile in 1960 to 2,330 persons per square mile over the next 40 years. During this same period of 1960-2000, the non-white population of the area is expected to quadruple in numbers, and to rise from 3% of the total area population in 1960 to 7.5%. While the Council anticipated that the numbers of persons aged 65 or more will increase, the numbers of younger persons is expected to multiply more rapidly, with a resulting decline in the median age of the area population from 31.8 years in 1960 to 26.4 years in A.D. 2000.²

¹ Mass. Executive Office for Administration and Finance, *Massachusetts Population Projections to 1975*, Boston, Mass., August 1967, 45 pp. At pp. 8, 18-19.

² Metropolitan Area Planning Council, *Economic Base & Population Study* Vol. III, "Population Projections for the Eastern Massachusetts Region," Boston, Mass. March 1967, 55 pp. At pp. 36, 39.

CHAPTER III.

GOVERNMENTAL RESPONSE TO THE "URBAN CRISIS"

*General Considerations**Federalism and Laissez-Faire*

Over the years, the responses of the state and federal governments to physical, economic and social problems within urban areas have been influenced by federalism, an aversion to "planned economy" approaches, and differing concepts of what constitutes an "urban problem" or "urban crisis" as contrasted with other problems and crises presumed not to be urban.

Since the Revolution, American political philosophy has stressed a federal approach, under which authority is decentralized to the states and their localities. This philosophy favors national government action only when problems prove to be interstate in character or when the unwillingness or inability of state and local governments to act is deemed to threaten the national welfare. As long as problems are considered "local" rather than "national," the political system vests the initiative in solving them at the state and local levels. On this score, Professor Elazar has observed that:

Federalism may be defined as the linking of individuals, communities, and societies by constitution or compact, under the rule of law, in such a way that each party to the compact retains its ultimate integrity, a measure of power to preserve that integrity, and a significant role in the national decision-making and executing processes. Thus defined, federalism is the fundamental principle undergirding the structure and functioning of American Government.¹

Aside from this decentralization of the responsibility for action, our political system has stressed the proposition that human activities and relationships should be subject to governmental restrictions and direction only in minimal degree, so as to allow the greatest freedom of action to individuals consistent with the

¹ Elazar, Daniel J., "Urbanization and Federalism in the United States," *Urban America: Goals and Problems*, Joint Economic Committee of the U. S. Congress, Joint Committee Print, 90th Congress, 1st Session, Washington, D. C. August 1967. At p. 192.

preservation of the social system, economy and "law and order." Thus, the first responsibility for keeping individuals out of trouble, and of extracting them from such difficulties as they may fall into, has rested with the citizen and his family. In its more extreme forms, these concepts of responsibility were manifested in the Jeffersonian philosophy that "that government governs best which governs least" and in the *laissez-faire* economic doctrines popular in the last two centuries. The effect of these viewpoints has been to fashion a climate hostile to governmental economic controls and to national or state planning such as they exist in free countries of Western Europe.

Gradual Recognition of the "Urban Crisis"

Accordingly, the federal and state governments have been slow to recognize economic and social problems in their incipient stages, and slow to identify them as problems requiring action first by the state and then by the federal government. Hence, it is possible for such problems to gather considerable momentum before effective action is taken by government; and that action is unlikely to be forthcoming before a "crisis" is proclaimed. Thus, Vice-President Hubert H. Humphrey has described the "urban crisis" in these terms:

... Unfortunately, most of the critical problems in urban areas are more in the nature of a quiet or creeping crisis. The problems that face our urban communities are too often illustrated by long-term trend lines: the economic decline of central cities, the physical and overlapping patterns of government, urban sprawl, housing problems and school problems in all parts of the urban complex, inadequate transportation facilities, and growing confusion and ugliness where there should be beauty. Yet behind these statistics and population patterns are individual personal and community tragedies.¹

However, as another authority has observed, these developments are obvious consequences of urbanization:

... The emergence of new problems created by greater concentrations of settlement, and the increase in magnitude of older problems,

¹ U. S. Advisory Commission on Intergovernmental Relations, *Metropolitan America: Challenge to Federalism*, a study submitted to the Intergovernmental Relations Subcommittee of the House Committee on Government Operations, Committee Print, 89th Congress, 2nd Session, Washington, D. C., October 1966, 176 pp. At p. vii.

along with the increase in population density, are to be expected in any urbanizing society. Great population densities create new problems of public health, transportation, environmental pollution, and recreation—to name only a few—and substantially magnify older problems such as public education and welfare, ranging from an increase in the amount of training necessary to make a living to the provision of adequate care for the aged.¹

In the United States, where 84% of the nation's population growth of 1950-60 occurred in its 212 SMSA's, these problems have been exacerbated by a racial conflict which has remained as the unfinished business of the Civil War. The Federal Advisory Commission on Intergovernmental Relations has warned that metropolitan growth in the United States "is producing patterns of racial and economic segregation, with severe consequences for disadvantaged groups, for the communities where they are concentrated, and ultimately for the entire urban society."² Blighted white and black residential areas have grown with the population movement, the impact of suburban building and zoning practices, and racial discrimination on the part of builders, developers, realtors, and mortgage institutions. And disparities have developed between the tax resources of inner cities and their suburbs relative to the demands made upon those resources for governmental services.³

"Urban" vs. "Non-Urban" Problems

Oversimplification of the "urban crisis" has been criticized by Professor James Q. Wilson of Harvard who noted that "It is only a slight exaggeration to say that the major urban problem is the various and uncertain meanings attached to the phase 'urban problems'."⁴ In his view, that term is used inaccurately to describe collectively a wide range of industrial, social and human problems

¹ Elazar, Daniel J., "Urbanization and Federalism in the United States," *supra*, p. 193.

² U. S. Advisory Commission on Intergovernmental Relations, *Metropolitan America: Challenge to Federalism*, *supra*, p. 3.

³ *Ibid.*, pp. 3-5.

⁴ Wilson, James Q., "Urban Problems in Perspective," *The Metropolitan Enigma: Inquiries into the Nature and Dimensions of America's "urban Crisis,"* 2nd report of the Task Force on Economic Growth and Opportunity, U. S. Chamber of Commerce, Washington, D. C., 1967, 338 pp. At p. 318.

embracing the spectrum of ills to which Americans object, notably: poverty, crime, ugliness, pollution, discrimination, unemployment, and congestion. These are problems which effect all localities, and not just urban areas alone. Professor Wilson objects that the term "urban problems" implies, wrongly, that every element in the picture is related to every other element.¹

Professor Wilson has noted that the term "urban problems" appeals as a rallying point to diverse groups concerned with differing aspects of city problems and that the allusion to problems as "urban" draws attention to their concrete manifestations. However, he cautioned that this approach tends to substitute effects for causes and to induce misdirected remedial action. He also stressed that the term "urban problems" appeals to economic and several elements in the central cities which cannot or do not desire to move elsewhere, and which want the city to be made livable, attractive and economically viable. Finally, the phrase "urban problems" has political and fiscal aspects appealing to financially-pressed inner city governments.²

"Urban problems," in Professor Wilson's definition, are properly thought of in terms of the common concern of inhabitants of large central cities, *viz*: (1) migrating to the central city, (2) forming and maintaining a family, (3) education, (4) employment, (5) housing, (6) crime, (7) highway congestion and commuter transit, (8) air and water pollution, and (9) the aesthetic aspects of the city, including cultural and recreational opportunities.³

That the "urban crisis" is part of a larger national social and economic malaise has been recognized by federal authorities in relatively recent years. Thus, in an address in 1967, the Hon. Orville L. Freeman, Federal Secretary of Agriculture, emphasized that:

The dimensions of the crisis are well known to all of you who are deeply involved in rural development. They consist of too little of everything—jobs, income, education, and services—in rural America, and a continuing one-way flow of people from country to city, damaging to country and city alike. . . .

The result has been a rural America with space to spare, but starved

¹ *Ibid.*, pp. 318-319.

² *Ibid.*, pp. 319-323.

³ *Ibid.*, p. 323.

for opportunity—and paradoxically an urban America with opportunity for many, but starved for space for her residents to move in, to enjoy, to breathe. . . .

An unplanned policy of exporting rural problems to the city has drawn urban America into the rural crisis. For the affluent of the city, the unchecked migration means more crowding, higher taxes, more hours consumed in commuting as urban sprawl continues unabated. For immigrants already in the teeming ghettos, further immigrating means less opportunity and rising despair.¹

Federal Programs in Aid of Urban Areas

Evolution of Federal Aid Practices Generally

The idea of federal assistance to the economic development of the states and territories is as old as the Constitution of the United States itself. Prior to 1862, that assistance took the form of liberal land grants to encourage settlement and the construction of railroads and other public facilities, and direct federal construction of certain public improvements. Thus, in 1806, Congress authorized the building of the Cumberland Road — the first major interstate highway — which was completed in 1818. And in 1823, Henry Clay proposed his “American System” of federally-financed public improvements to stimulate the growth of the national economy and to benefit the home states of the Senators and Congressmen who sponsored them. The foregoing activities were entirely federal in character, with no state sharing of costs being required.

In 1862, the concept of “categorical” federal grants in aid to the states was incorporated by Congress in the Morrill Land-Grant College Act. The “categorical” approach, which dominates the federal aid scene today, makes national resources available to state and local governments in return for state and local acceptance of certain federal standards in pursuit of national objectives set by Congress. As the Federal Budget Bureau has noted, these jointly administered categorical grant programs seek to:

- (1) Make it possible to pursue national objectives in a way which recognizes the diversity of local conditions and needs;

¹ Address to Southwest Agricultural Forum, Tulsa, Oklahoma, January 20, 1967. Quoted in: U. S. Advisory Commission on Intergovernmental Relations, *Urban and Rural America: Policies for Future Growth*, Report A-32, Washington, D. C., April 1968, 202 pp. At p. XV.

(2) Spread creative innovation in public services from one jurisdiction to another; and

(3) Preserve a fair and equitable local tax system—by relieving some of the pressure on those State and local tax sources which are less closely related to ability to pay than income taxes.¹

The formulae used to allocate federal aid to state and local governments under the various categorical assistance programs have become more complex with the passage of time. As indicated in a study by the Federal Budget Bureau, categorical federal grants-in-aid to the states in the period prior to the Great Depression were made either on (a) a flat sum basis or (b) on a population basis. Subsequently, federal aid formulae have attempted to measure state financial capacity to support desired programs. Commonly, the more recent federal aid programs have stressed one or both of the two following elements, *viz*: (a) *program need*, measured either by total population or by relevant group population, and (b) *financial capacity*, often calculated in terms of per capita income. Usually, the formula restricts the total amount of federal aid payable to such state under the assistance program, either by means of a flat "ceiling" or by means of a ratio or proportion of the aggregate sum available for allocation. Usually, such state is required to match the federal grant with a state or local contribution, either on a variable basis reflecting differing state financial abilities or on a fixed percentage or ratio basis.²

Growth of Federal Aid to State and Local Governments

Until the advent of the Great Depression in 1929, these federal grant programs were few in number, modest in scope, and concerned largely with agriculture, irrigation, reclamation, education, and certain aspects of public health. The Great Depression forced a radical departure from this pattern, as the federal government

¹ U. S. Budget Bureau, *Special Analyses, Budget of the United States, 1968*, Special Analysis J., "Federal Aid to State and Local Governments," reprinted in: U. S. Senate Committee on Government Operations, *Federal Role in Urban Affairs*, Part 20, Committee Print, Hearings before the Subcommittee on Executive Organization, 90th Congress, 1st Session, U. S. Government Printing Office, Washington, D. C., June 2, 1967, 242 pp. At p. 4278.

² *Ibid.*, pp. 4892-4283.

was called upon to cope with a massive national economic and social emergency. In a broad range of new programs involving the state and local governments and private enterprise, Congress provided the federal government with a leadership role in respect to welfare, social security insurance, and public housing, and sought to stimulate national economic recovery through extensive public works, reforestation and other undertakings.

Depression-stimulated federal aid programs were expanded, and new programs were added, following World War II, as old problems became more acute and new problems arose under the pressures of urbanization, rural poverty, an increasingly integrated and complex economy, the deterioration of old social structures, and the exigencies of the Cold War. Aid programs authorized by Congress in recent years have placed great emphasis on housing needs, community rehabilitation and development, improved public transportation, health needs, and aid to disadvantaged citizens in both rural and urban areas. The newer federal programs have also stressed a greater participation by the private sector in meeting national needs.

Currently, at least 450 federal programs administered by more than 35 federal agencies provide assistance to the states and their localities.¹ As revealed in Table 4 below, the Federal Budget Bureau has estimated that over \$17.4 billion of federal aid was paid to state and local governments in the fiscal year 1968. A report of that agency has observed that fiscal 1968 federal aid payments to states and their localities were three times as great as such payments in fiscal 1957: that public assistance and highway grants are the largest programs, constituting between them about half of all federal aid payments; that the fastest-growing grants are those relating to the war on poverty and to elementary and secondary education; and that of the \$17.4 billion of 1968 federal aid payments to states and their communities, about \$10.3 billion (59.3%) related to metropolitan or urban areas and represented a 165% increase over 1961 aid payments in such areas.²

¹ Office of the Vice-President of the United States, *The Vice-President's Handbook for Local Officials*, U. S. Government Printing Office, Washington, D. C., November 1, 1967, 321 pp. At p. iv.

² U. S. Senate Committee on Government Operations, *Federal Role in Urban Affairs*, Part 20, *op. cit.*, at p. 4279.

Table 4.

*Estimated Federal Aid Payments to State and Local Governments
In Fiscal Year 1968, Excluding Loans and Repayable Advances*

<i>Federal Aid Program Administered by</i>	<i>Estimated Grants (\$ Millions)</i>	<i>Percentage of All Grants</i>
Dept. of Health, Education & Welfare .	\$ 7,963.3	45.6%
Dept. of Transportation	4,093.2	23.4
Office of Economic Opportunity . . .	1,410.0	8.0
Dept. of Agriculture	1,221.4	7.0
Dept. of Housing & Urban Development .	1,203.7	6.9
Dept. of Labor	591.6	3.3
Dept. of the Interior	413.3	2.3
Dept. of Commerce	220.0	1.2
Other Federal Agencies	322.5	1.8
	<hr/> \$17,439.0 <hr/>	<hr/> 100.0% <hr/>

Source: U. S. Budget Bureau, *Special Analyses, Budget of the United States, 1968*, Special Analysis J., reprinted in U. S. Senate Committee on Government Operations, *Federal Role in Urban Affairs*, Part 20, 90th Congress, 1st Session, Committee Print, U. S. Government Printing Office, Washington, D.C., June 28, 1967, 242pp. At pp. 4285-4286. Figures will not tally exactly, due to rounding.

Urban Aspects of Federal Aid Programs

Federal concern for the problems of the cities was first manifested in a major way by the National Recovery Act of 1933 which provided, among other things, for the construction of public housing projects by the Public Works Administration, and for certain related slum-clearance activities. Later, the United States Housing Act of 1937 terminated the construction and operation of public housing projects by the federal government itself, and substituted a program furnishing federal financial assistance to state and local governments on a matching basis for the erection of low rental public housing projects and for slum clearance in connection therewith. Supplementing these Congressional enactments were certain other statutes administered wholly by the federal government — such as the National Housing Act of 1934—designed to stimulate private investment in new housing construction and housing renovation, and to promote homeownership by families of modest means. That act authorized federal loans to

financial institutions, and federal insurance of mortgages, in connection with the purchase, construction and improvement of low and modest income housing. In general, these and subsequent related federal programs have been available in most cases to both urban and rural areas, but have had their greatest impact in the former.

Following World War II, Congress enacted numerous additional laws greatly increasing federal involvement in the urban areas of the nation. Among the more significant of these statutes are the following 16 measures, some of which apply to both urban and non-urban areas:

(1) *The Hill-Burton Act of 1946*, authorized federal grants-in-aid for planning and construction of hospitals (PL 79-725).

(2) *The Housing Act of 1949*, which made federal grants and loans available for the first time for "urban development" projects entailing both governmental and private enterprise involvement (PL 81-171).

(3) *The Housing Act of 1954*, which introduced the "urban renewal" concept into the federal aid system in order to broaden the total anti-blight effort to conserve unblighted but vulnerable areas and to reclaim recoverable blighted areas. Federal aid for urban planning and for anti-blight "demonstration" projects was authorized. This statute was the first to require that localities applying for such grants must develop a "workable program" and a master plan containing certain specified elements if they are to qualify for federal assistance (PL 83-176).

(4) *The Housing Act of 1959*, authorized grants-in-aid for community renewal projects, and provided for federal loans to public agencies and to certain non-profit bodies for the acquisition, rehabilitation and construction of housing for the elderly and for handicapped families (PL 86-372).

(5) *The Housing Act of 1961*, which provided federal grants for low-income housing demonstration projects, the acquisition and development of open-space land, urban beautification and improvement, and historic preservation (PL 87-70).

(6) *The Senior Citizen's Housing Act of 1962*, which expanded federal assistance to housing for the elderly (PL 87-723).

(7) *The Manpower Development and Training Act of 1962*, authorizing the U. S. Department of Labor to retrain workers who lost their jobs due to technological change, and providing for certain other programs for the rehabilitation of the unememployed (PL 87-415).

(8) *The Economic Opportunity Act of 1964*, establishing the federally-administered Volunteers in Service to America ("Vista"), Neighborhood Youth Corps, Job Corps, and Head Start Programs (PL 88-452).

(9) *The Urban Mass Transportation Act of 1964*, extending federal aid to the state and their urban localities for the acquisition, construc-

tion and improvement of their public mass transportation facilities (PL 88-365).

(10) *The Elementary and Secondary Education Act of 1965*, providing federal aid to local school systems for programs for impoverished and disadvantaged children, school libraries, supplementary educational centers, and certain other services (PL 89-10 of 1965, amended by PL 89-750 of 1966).

(11) *The Housing and Urban Development Act of 1965*, which authorized federal assistance in the form of rent supplements to enable low-income families to find quarters in privately-owned housing (PL 89-117).

(12) *The Department of Housing and Urban Development Act of 1965*, in which various federal agencies concerned with housing, urban development and related matters were consolidated into a Department of Housing and Urban Development (popularly called "HUD") with responsibility for administering federal urban programs on a coordinated basis (PL 89-174).

(13) *The Social Security Amendment Act of 1965*, which established the medical aid ("medicaid") program of federal grants to states for health care of "medically-needy" individuals (PL 89-97).

(14) *The Demonstration Cities and Metropolitan Development Act of 1966*, providing federal grants-in-aid to states and their localities for comprehensive ("model") city demonstration programs, metropolitan area planning, and related activities (PL 89-754).

(15) *The Anti-Poverty Act of 1966*, which authorized the "special impact" and "new career" programs for slum residents, and provided federal aid for family planning and neighborhood health centers (PL 89-794).

(16) *The Housing and Urban Development Act of 1968*, which: (a) expanded federal programs for lower income housing, especially in respect to condominiums, housing cooperatives, and non-profit housing organizations; (b) authorized federal aid to state and local governments, and federal guarantees of developer obligations, for the planning and development of "new communities" consistent with comprehensive local or regional planning; and (c) increased the scope of federal grants-in-aid and loan programs re urban renewal, urban rehabilitation, urban planning, urban transportation, neighborhood development, and local code enforcement (PL 90-448).

Most of the foregoing programs are administered jointly by the federal, state and local governments, while a minority are conducted by federal agencies alone. The successive acts relative to housing, urban renewal and related programs have increased the financial commitment of the federal government under their provisions in substantial degree, especially since 1960.

As indicated by the following Table 5, the Federal Budget Bureau has estimated that federal aid payments to state and local govern-

ments for programs conducted in the 212 SMSA's of the nation in the 1968 fiscal year totalled over \$10.3 billion of which: (a) about \$4.9 billion (47.43%) related to health, labor and welfare; (b) another \$2.2 billion (21.78%) pertained to commerce and transpor-

Table 5. Estimated Federal Air to States and Localities for Benefit of Urban Areas in Fiscal Year 1968, Excluding Loans and Repayable Advances

<i>Functions and Programs</i>	<i>Amount (\$ Millions)</i>	<i>As Percent of Grand Total</i>
<i>Subtotal: Housing and Community</i>		
<i>Health, Labor and Welfare:</i>		
Public Assistance	\$ 2,243	21.71%
Office of Economic Opportunity	1,010	9.78
Employment Security, and Manpower Training	501	4.85
Community Health	450	4.35
School Lunch, Special Milk, and Food Stamps	290	2.80
Vocational Rehabilitation	211	2.04
Hospital Construction	95	0.92
Other	101	0.98
<i>Subtotal: Health, Labor and Welfare</i>	<i>\$ 4,901</i>	<i>47.43%</i>
<i>Commerce and Transportation:</i>		
Highways	\$ 2,176	21.06%
Economic Development	36	0.35
Airports	33	0.32
Other	6	0.05
<i>Subtotal: Commerce and Transportation</i>	<i>\$ 2,251</i>	<i>21.78%</i>
<i>Education:</i>		
Elementary and Secondary Education	\$ 1,292	12.41%
Vocational Education	172	1.66
Higher Education	160	1.55
Other	6	0.05
<i>Subtotal: Education</i>	<i>\$ 1,704</i>	<i>15.67%</i>
<i>Housing and Community Development:</i>		
Urban Renewal	\$ 336	3.25%
Public Housing	208	2.01
Model Cities	132	1.28
Urban Transportation	98	0.95
District of Columbia	71	0.68
Water and Sewer Facilities	61	0.59
Other	100	0.96
<i>Subtotal: Housing and Community Development</i>	<i>\$ 1,006</i>	<i>9.72%</i>

Other Functions and Programs:

Agriculture	\$ 235	2.27%
Natural Resources	200	1.93
National Defense	26	0.25
Miscellaneous	6	0.05
<hr/>		
<i>Subtotal: Other Functions and Programs</i> .	\$ 467	4.50%
<hr/>		
<i>Grand Total</i>	\$10,329	100.00%

Source: U. S. Budget Bureau, *Special Analyses, Budget of the United States, 1968*, Special Analysis J, reprinted in U. S. Senate Committee on Government Operations, *Federal Role in Urban Affairs* Part 20, 90th Congress, 1st Session, Committee Print, U. S. Government Printing Office, Washington, D. C., June 28, 1967, 242 pp. At p. 4288. Figures will not tally exactly, due to rounding.

tation (mostly highways); (c) \$1.7 billion (15.67%) were for educational assistance; (d) over one billion dollars (9.72) represented aid to housing and community development; and (e) under half-a-billion dollars (4.5%) comprised other types of federal assistance.

Massachusetts Programs in Aid of Urban Areas

In meeting the urban challenge, the Massachusetts state government has resorted over the years to four basic approaches which, in order of development involve (a) the formulation and enforcement of state and local building, health, zoning and subdivision codes, (b) the creation of regional agencies in urban areas to furnish services on an areawide basis, (c) housing programs designed to increase the supply of residential spaces available to low and moderate income families, and (d) urban redevelopment, renewal and rehabilitation programs. All four of these approaches have been designed to prevent and eliminate blight and sub-standard conditions, particularly in the urban areas.

Code Formulation and Enforcement

The construction and maintenance of buildings has been subject to governmental regulation since early colonial days. Thus, a Seventeenth Century statute required buildings in Boston to be constructed with brick or stone exteriors, to prevent the easy spreading of fires (Mass. Bay Province Laws, 1692-3, 2nd Session, c. 13). Post Civil War enactments empowered localities to regulate

and inspect buildings, such requirements to be in addition to those prescribed in the statutes (Acts of 1870, c. 375; Acts of 1872, c. 243). Shortly before World War I, the General Court enacted "tenement laws" which are effective in communities voting to adopt their provisions (G.L. c. 145, Acts of 1912, c. 635 *re* tenements in towns; G.L. c. 144, Acts of 1913, c. 786 *re* tenements in cities). Today, the safety aspects of buildings are governed by various statutory standards, and by numerous regulations promulgated by state administrative agencies and local legislative bodies pursuant to law (G.L. cc. 142 to 146 and 148).

The next oldest body of local "code" provisions are those formulated within, or under authority, of the Public Health Law (G.L. c. 111). Local health regulations were authorized by an Act of 1797 (c. 16), and were specifically extended to buildings in 1850 (c. 108). The State Department of Public Health, which had little regulatory authority over buildings when it was created as the State Board of Health in 1869 (c. 420), was empowered by a 1957 law (c. 678) to promulgate a sweeping Uniform Sanitary Code covering all aspects of public health, including buildings; that code must be enforced by the local health authorities (G.L. C. 111, s. 5).

Municipalities have possessed authority to adopt zoning ordinances and by-laws since 1920 (c. 601), and to adopt subdivision regulations since 1936 (c. 211). Local authority on this score is now regulated in great detail by the Zoning Enabling Law (G.L. c. 40A) and by the Subdivision Control Law (G.L. c. 41, ss. 81K-81GG).

By statutory mandate, the newly-created State Department of Community Affairs must formulate model building, housing and zoning codes for local adoption on an optional basis, and up-date these models when necessary (G.L. c. 23B, s. 3).

Regional Agencies

Because of the strong sense of tradition and identity of Massachusetts municipalities, and their hostility to the loss of that identity through annexation or merger, the state government has turned to regional arrangements to meet areawide needs of urban and rural sections of the Commonwealth.

Thus, to service the common needs of the Boston metropolitan area, the General Court created a Metropolitan Sewerage Commission in 1889 (c. 439), a Metropolitan Park Commission in 1893 (c. 407) and a Metropolitan Water Commission in 1859 (c. 488); these commissions were eventually consolidated into the present-day Metropolitan District Commission by the Reorganization Act of 1919 (c. 350). In the field of rapid transit, the Public Control Act of 1918 (c. 159, Special Acts) created a 14-community district to subsidize service by the Boston Elevated Railway Company; this arrangement was superseded by complete public ownership and operation of the transit system, first by the Metropolitan Transit Authority (Acts of 1947, c. 544), then by today's Massachusetts Bay Transportation Authority created by a 1964 statute to serve 78 cities and towns (c. 563). After an unsuccessful experience with a Metropolitan Planning Commission¹ between 1923 and 1941, the General Court established the present Metropolitan Area Planning Council which serves 99 communities of Greater Boston (Acts of 1963, c. 668).

By general law, regional entities have been authorized in other parts of the state as desired, including, among others, (a) "transportation areas" (G.L. c. 161, s. 143;), (b) regional planning districts (G.L. c. 40B), (c) regional school districts (G.L. c. 71, ss. 16-16B), and (d) regional health districts (G.L. c. 111, ss. 27B-27C). In addition, regional districts have been created outside the Greater Boston area by special act, and special regional service functions have been vested by special law in individual counties in certain cases, where area needs and desires cannot be accommodated satisfactorily under the General Laws. Aside from these arrangements, the Legislature has also authorized intergovernmental service contracts among cities, towns and districts (G.L. c. 40, s. 4A, *et al*).

Housing Activities

State concern about slums and the housing needs of low-income groups led to the creation in 1911 of the Homestead Commission

¹ This commission was created within the Metropolitan District Commission Department by Acts of 1923, c. 399, and was abolished by Acts of 1941, c. 466 which transferred its functions to the State Planning Board.

which was directed to prepare plans and recommendations for legislation which would assist such groups in acquiring homes in the urban and suburban areas of the Commonwealth (c. 607). When the Supreme Judicial Court held the use of public funds in aid of privately-owned housing to be unconstitutional,¹ two constitutional amendments were ratified by the voters in 1915 and 1917 authorizing the General Court to provide for public housing programs and for the "necessaries of life" including "shelter" (Const. Amends., Arts. XLIII and XLVII).

The Homestead Commission was terminated, and its duties assigned to the State Department of Public Welfare, by the Reorganization Act of 1919 (c. 350). Later, in 1933, the General Court created a new State Board of Housing within that department (c. 364), only to replace that board with a State Housing Board serving directly under the Governor and Executive Council in 1948 (c. 260). In 1964, the State Housing Board was abolished and its functions transferred to a Division of Housing in the Department of Commerce and Development (c. 636). However, that division was abolished in turn, and its duties transferred to the State Department of Community Affairs by the 1968 General Court (c. 761).

During World War I, a small amount of public housing was erected under the Homestead Commission program, but state policy emphasized primarily private activity in the homebuilding area. When the Great Depression came, the Housing Authority Acts of 1935 permitted localities to establish housing authorities to take advantage of the federal housing programs of the New Deal Era (cc. 449 and 485). The first major public housing program was launched in 1946 with the passage of three laws authorizing localities, through their housing authorities, to construct and manage housing for veterans and for low-income families (cc. 13, 372 and 574). To accelerate these local housing efforts, a 1948 statute authorized a state guarantee of local housing bonds for state-approved projects, and provided an annual state contribution toward the principal and interest on that debt (c. 200). Originally, the General Court limited that guarantee to an aggregate of \$200 million of

¹ *Opinions of Justices*, 211 Mass. 624 (1912).

local housing debt, but later raised this guarantee to \$225 million in 1952 (c. 550). The "annual contribution" was increased from \$5 million in 1948 to \$5,625,000 in 1952 (c. 550); and a supplementary state assistance program of up to \$1.8 million per annum was authorized in 1966 to stimulate further construction of low-income housing (c. 705).

In addition to these programs, state aid to localities for the construction of housing for the elderly was initiated in 1953 (c. 668). The state guarantee of local housing debt thereunder originally fixed at not more than \$5 million in the aggregate, has been raised to \$210 million; and the total of state annual contributions to localities for payment of the principal and interest on that debt has grown from an authorized \$375,000 to \$8.4 million (Acts of 1968, c. 524).

Other related state action has included (a) a state guarantee of an aggregate of \$25 million of redevelopment authority debt incurred for the provision of state approved low-income housing (Acts of 1952, c. 617), (b) establishment of the Massachusetts Housing Finance Agency with power to grant up to \$50 million in federally-insured first mortgages for the rehabilitation and construction of low and modest income housing (Acts of 1966, c. 708; Acts of 1968, c. 709), and (c) authorization of a rent supplement program for low-income families (Acts of 1966, c. 707).

Since 1946, over 43,000 housing units have been constructed by 148 or more local housing authorities in the Commonwealth.

Urban Redevelopment, Renewal and Rehabilitation

Until 1946, urban redevelopment, renewal and rehabilitation was treated as a minor, incidental aspect of state and local activity in respect to public housing and "slum clearance." However, in 1946, the General Court authorized local housing authorities in more specific, detailed terms to engage in "land assembly and redevelopment projects" approved by the State Housing Board (c. 574). This enactment was followed six years later by a general law empowering communities other than Boston to create separate urban redevelopment authorities to carry out such programs (Acts of 1952, c. 617) In 1955, an urban renewal program was revised, to be administered by local housing authorities and redevelopment

authorities (c. 654). Shortly thereafter, the General Court authorized the City of Boston to establish its own redevelopment authority, and to confer on the Boston Redevelopment Authority additional special functions and powers (Acts of 1957, c. 150; Acts of 1960, c. 652). Successively, the activities of local housing authorities and urban redevelopment authorities have been supervised by (a) the State Housing Board (1946-60), (b) a Division of Urban and Industrial Renewal in the State Department of Public Welfare (1960-64), (c) a Division of Urban Renewal in the State Department of Commerce and Development (1964-68), and (d) the Department of Community Affairs (since November 1968).

Housing debt incurred by local redevelopment authorities has been brought within the scope of state guarantees similar to those extended to housing authority debt described above. In 1952, the Commonwealth was authorized to guarantee up to an aggregate \$25 million of redevelopment authority debt incurred for the construction of housing for families displaced by state-approved land assembly and redevelopment projects (c. 776). Subsequently, state aid for state-approved urban redevelopment and renewal projects was authorized, — first at an aggregate program total of \$30 million, and later at a total of \$40 million (Acts of 1960, c. 776; Acts of 1967, c. 825). State assistance toward redevelopment authority costs for non-federally-aided commercial and industrial redevelopment projects approved by the state was authorized in 1960, at an aggregate program total of \$25 million; later, this total state commitment was raised to \$40 million, including \$20 million for housing rehabilitation purposes (Acts of 1964, c. 721).

Currently, redevelopment authorities exist in 50 communities; in another 13 communities local housing authorities act as redevelopment entities. The total value of the urban development, renewal and rehabilitation projects conducted by these authorities in Massachusetts through early 1968 was over \$650 million.

Paralleling the work of the housing authorities and urban redevelopment authorities are the activities of privately financed urban redevelopment corporations created under the General Laws (c. 121A). These corporations were first authorized in 1933 as limited dividend housing corporations (c. 364). When the 1933 law proved unsuccessful, the present type of urban redevelopment corpora-

tion was provided for by a 1945 statute (c. 654). State law now permits the powers of an urban redevelopment corporation to be exercised by insurance companies and certain other business entities and non-profit organizations (G.L. c. 121A, ss. 18-18C). Since 1958, over \$266 million of "Chapter 121A" projects have either been authorized by the state, or await state approval.

Other Programs Affecting Urban Areas

Aside from the foregoing "anti-bligh" legislation, there remain numerous statutes passed by the General Court in recent years which have benefitted the urban areas of the Commonwealth either specifically, or as part of the state at large. These statutes, too numerous to catalogue here, cover such vital facets of urban life as education, welfare, job-finding services, unemployment insurance, transportation, air pollution, and the prohibition of racial discrimination in housing, insurance and employment.

Thus, for example, in 1964 a Commonwealth Service Corps was created to engage in projects in depressed and slum areas of the state (c. 622). And more recently, legislation was enacted creating an Urban Area Insurance Facility to furnish property insurance in high-risk urban districts (Acts of 1968, c. 731).

Absence of Data re State-Local Expenditures on Urban Area Needs

Comprehensive data is not immediately available to indicate the full scope of state and local expenditures in Massachusetts on behalf of the improvement of urban areas and their populations. Considerable time would be required to compile such data, due to differing state and local fiscal years, the merging of urban with non-urban expenditures, and other accounting difficulties. Hence, such a figure cannot be reported at this time.

CHAPTER IV.

THE BACKGROUND AND SCOPE OF THE MODEL CITIES PROGRAM

Federal Model Cities Program

Origin of Model Cities Program

The current Model Cities Program, known officially by the title of "the Demonstration Cities Program" and "Comprehensive City

Demonstration Program" was authorized by Congress in the Demonstration Cities and Metropolitan Development Act of 1966 (PL 89-754). That enactment was based upon a message submitted to Congress by President Lyndon B. Johnson on January 26, 1966, embodying recommendations developed by a presidential study commission chaired by Professor Robert C. Wood of the Massachusetts Institute of Technology who was later named Undersecretary of the United States Department of Housing and Urban Development.

In his message, President Johnson asserted that a "massive demonstration cities program" utilizing the efforts of both the public and private sectors of the economy is essential if physical and social deterioration in the nation's urban areas is to be halted and our cities made more livable. Hence, he urged congressional approval of a six-year program of "demonstration cities" grants aggregating \$2.3 billion in federal expenditure, supplemented by \$12 million of federal grants for local planning of demonstration cities projects. The presidential message contained a variety of related proposals dealing with (a) improved metropolitan planning, (b) "new communities" development by private capital, (c) a better rent supplement program, (d) discrimination in housing, and (e) extension of the life of the federal mass transportation program.¹

The basic philosophy and objectives of the Demonstration Cities Program were outlined in these terms by the President:

... We have neither the means nor the desire to invest public funds in an expensive program whose net effects will be marginal, wasteful, or visible only after protracted delay. We intend to help only those cities who help themselves. I propose these guidelines for determining a city's qualifications for the benefits—and achievements—of the program.

1. The demonstration should be of sufficient magnitude both in its physical and social dimensions to arrest blight and decay in entire neighborhoods. It must make a substantial impact within the coming few years on the development of the entire city.

¹ U. S. House of Representatives, *City Demonstration Programs-Message from the President of the United States Transmitting Recommendations for City Demonstration Programs*, 89th Congress, 2nd Session, House Document No. 368, U. S. Government Printing Office, Washington, D. C. January 26, 1966, 15 pp.

2. The demonstration should bring about a change in the total environment of the area affected. It must provide schools, parks, playgrounds, community centers, and access to all necessary community facilities.

3. The demonstration—from its beginning—should make use of every available social program. The human cost of reconstruction and relocation must be reduced. New opportunities for work and training must be offered.

4. The demonstration should contribute to narrowing the housing gap between the deprived and the rest of the community. Major additions must be made to the supply of sound dwellings. Equal opportunity in the choice of housing must be assured to every race.

5. The demonstration should offer maximum occasions for employing residents of the demonstration area in all phases of the program.

6. The demonstration should foster the development of local and private initiative and widespread citizen participation—especially from the demonstration area—in the planning and execution of the program.

7. The demonstration should take advantage of modern cost-reducing technologies without reducing the quality of the work. Neither the structure of real estate taxation, cumbersome building codes, nor inefficient building practices should deter rehabilitation or inflate project costs.

8. The demonstration should make major improvements in the quality of the environment. There must be a high quality of design in new buildings, and attention to man's need for open spaces and attractive landscaping.

9. The demonstration should make relocation housing available at costs commensurate with the income of those displaced by the project. Counseling services, moving expenses, and small business loans should be provided, together with assistance in job placement and retraining.

10. The demonstration should be managed in each demonstration city by a single authority with adequate powers to carry out and coordinate all phases of the program. There must be a serious commitment to the project on the part of local, and where appropriate, state authorities. Where required to carry out the plan, agreements should be reached with neighboring communities.

11. The demonstration proposal should offer proof that adequate municipal appropriations and services are available and will be sustained throughout the demonstration period.

12. The demonstration should maintain or establish a residential character in the area.

13. The demonstration should be consistent with existing development plans for the metropolitan areas involved. Transportation plans should coordinate every appropriate mode of city and regional transportation.

14. The demonstration should extend for an initial 6-year period. It should maintain a schedule for the expeditious completion of the project.

These guidelines will demand the full cooperation of government at

every level and of private citizens in each area. I believe our Federal system is creative enough to inspire that cooperative effort. I know it must be so creative if it is to prosper and flourish.¹

The legislation recommended by the President was not enacted until November 3, 1966, following lengthy consideration by Congressional committees, and many amendments. Opponents stressed the costs of the Vietnam War, the danger of further inflation, the undesirability of using urban renewal funds for "demonstration cities projects, and the selectivity of the program which would benefit some Congressional districts but not others. Passage of the Demonstration Cities and Metropolitan Development Act was also delayed by disputes over "Great Society" priorities and anti-discrimination provisions. However, skillful generalship on the part of Administration supporters, and the evident character of the "urban crisis," won passage of the bill.²

*Synopsis of the Model Cities Law*³

Federal statutory provisions relative to "demonstration" or "model" cities are embraced substantially in Title I of the Demonstration Cities and Metropolitan Development Act of 1966, as most recently amended by the Federal Housing and Urban Development Act of 1968. The salient features of this Act, hereinafter referred to as the "Model Cities Law," are set forth in summary form in the following synopsis:

Title I. Comprehensive City Demonstration Programs

Sec. 101. Findings and Declaration of Purpose. Congress finds that improving the quality of urban life constitutes our most critical domestic problem, that cities of all sizes do not have the resources needed to deal effectively with this problem, and that federal assistance in addition to that authorized by urban renewal and other federal aid programs is essential to enable cities to plan, develop, and conduct

¹ *Ibid.*, pp. 6-8

² "Community Development Law Passes After Nine Month Debate," *The Journal of Housing* No. 10, December 1967, pp. 562-566.

³ This synopsis is based upon: U.S. Congress, House Committee on Banking and Currency, *Demonstration Cities and Metropolitan Development Act of 1966* (Public Law 89-754), 89th Congress, 2nd Session, Committee Print, U.S. Government Printing Office, Washington, D.C., November 4, 1966, 84 pp. At pp. 7-11. The text has been revised to reflect amendments of that Act made by the Housing and Urban Development Act of 1968 (PL 90-448, s. 1701).

programs to improve their physical environment, increase the supply of low and moderate income housing, and provide vital services.

This section further states that it is the purpose of Title I to provide additional assistance to enable cities of all sizes to plan, develop, and carry out locally prepared and scheduled programs to rebuild or revitalize large slum and blighted areas, and to expand and improve public programs and services in these areas. These objectives are to be accomplished through the most effective and economical concentration and coordination of federal, state and local public and private activities and programs.

Sec. 102. Basic Authority. The Secretary of Housing and Urban Development is authorized to make grants and to provide technical assistance to enable "city demonstration agencies" — in this synopsis referred to as "model city agencies" — to plan, develop, and to carry out comprehensive city demonstration programs. In this synopsis, the later programs are referred to briefly as "model city programs."

Sec. 103(a). Eligibility for Assistance. This section provides that a model city program is eligible for federal financial assistance under Section 105 and Section 107 only if certain specific criteria are met. These criteria include requirements that —

(1) Physical and social problems in the area of the city justify a model city program to carry out the purposes of the Title.

(2) The program is of sufficient magnitude to make a substantial impact on the physical and social problems and to remove or arrest blight and decay in entire sections or neighborhoods, to contribute to the sound development of the entire city, and to make marked progress in reducing social and educational disadvantages, ill health, underemployment, and enforced idleness. The program must assure "widespread citizen participation in the program, maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training."

(3) The program, including rebuilding or restoration, will contribute toward a well-balanced city, with a substantial increase in the supply of standard housing of both low and moderate cost.

(4) Local administrative procedures are available for carrying out the program on a consolidated and coordinated basis. Local laws, regulations, and other requirements must be consistent with the objectives of the program. The projects and activities involved must be initiated reasonably soon. Adequate local resources must be made available. Private initiative and enterprise must be utilized to the fullest extent possible. A relocation plan meeting the requirements of the Secretary must exist. The program and appropriate applications for assistance must have the approval of the local governing body. Agencies whose cooperation is necessary to the success of the program must indicate their intent to furnish such cooperation. The program must be consistent with comprehensive planning in the entire urban or metropolitan area. And the locality must continue to maintain at least the same level of expenditures for activities similar to those being assisted.

(5) The program meets any additional criteria or requirements which are related and essential to the statutory criteria for a program, that the Secretary of Housing and Urban Development may establish.

Sec. 103(b). Neighborhood Standards. In implementing this law, the Secretary of Housing and Urban Development is required to (1) emphasize local initiative, (2) insure maximum coordination of federal assistance, and (3) encourage model cities agencies to enhance neighborhoods by applying a high standard of design, to maintain neighborhood characteristics, and to make maximum use of new and improved technology and designs, including cost reduction techniques.

Sec. 103(c). Analytical Requirements. The preparation of model city programs should, to the maximum extent feasible, include systematic analyses of the costs and benefits of alternative courses of action designed to fulfill urban needs, and establish programming systems designed to assure effective use of such analyses by model city agencies and other governmental bodies.

Sec. 103(d). School Busing and Racial Imbalance Aspects. The Secretary of Housing and Urban Development may not require localities, as a condition for receiving a federal grant under this program, to transfer pupils who reside outside a model cities area to schools within that area, or vice versa.

Sec. 104(a). Federal Financial Assistance for Planning Model City Programs. The Secretary of Housing and Urban Development is authorized to make grants to, or to enter into contracts with, model city agencies to pay 80% of the costs of planning and developing model city programs.

Sec. 104(b). Local Approval and Coordination. The Secretary may provide such financial assistance only (1) if the local governing body of the city has approved the application submitted by the model city agency, and (2) if he has determined that the administrative machinery exists through which coordination of all related planning activities of local agencies can be achieved, and that the necessary cooperation of agencies in related local planning can be secured.

Sec. 105(a). Federal Financial Assistance for Approved Model City Programs. The Secretary may approve model city programs if, after review of the relevant plans, he determines that such plans satisfy the criteria for those programs set forth in Section 103.

Sec. 105(b). Amount of Federal Financial Assistance. The Secretary of Housing and Urban Development is authorized to make grants to, and enter into contracts with model city agencies to pay 80% of the costs of administering approved model city programs. Excluded from such costs are those pertaining to any project or activity, subsidized under other federal grant-in-aid programs, which is carried out as part of a model city undertaking.

Sec. 105(c). Additional Federal Financial Assistance; Non-Federal Contributions. In order to assist the city to carry out the projects or activities included within an approved model city program, the Secretary of Housing and Urban Development may make grants to the

model city agency of not to exceed 80% of the aggregate amount of non-federal contributions otherwise required to be made by the locality to all projects or activities assisted by federal grant-in-aid programs carried out in connection with such a model city program.

No federal grant-in-aid program may be considered as being carried out in connection with a model city program unless it is closely related to the physical and social problems in the area of the city covered by the program, and unless it can reasonably be expected to have a noticeable effect upon such problems. Also, the specific amount of any such grant is to take into account the number and intensity of the economic and social pressures in the sections or neighborhoods involved. This includes such aspects as problems posed by population density, poverty levels, unemployment rate, public welfare participation, educational levels, health and disease characteristics, crime and delinquency rate, and degree of substandard and dilapidated housing.

The amount of non-federal contribution required for each project in a federal grant-in-aid program must be certified to the Secretary by the federal department or agency administering the grant-in-aid program, and the Secretary would be required to accept such determination in computing the amount of any grant made under this section.

Sec. 105(d). Use of Federal Financial Assistance. This section stipulates that grant funds provided to assist projects or activities included within an approved model city program under subsection (c) be made available to assist new and additional projects and activities not assisted under a federal grant-in-aid program. To the extent that funds are not necessary to support fully such new and additional projects and activities, they may be used and credited as part or all of the required non-federal contribution to projects or activities, assisted under a federal grant-in-aid program, which are part of an approved model city program.

Grant funds may not be used (1) for the general administration of local governments, or (2) to replace non-federal contributions in any federally-aided project or activity included in an approved model city program if, prior to the filing of an application for assistance under Section 104, an agreement has been entered into with any federal agency obligating such non-federal contributions with respect to such project or activity.

Sec. 106. Technical Assistance. The Secretary of Housing and Urban Development is empowered to provide technical assistance to model city agencies to help them in planning, developing, and administering model city programs.

Sec. 107(a). Relocation of Displaced Persons and Activities. A model city program is required to include a plan for relocating people, businesses, and non-profit organizations displaced or to be displaced by that program. This relocation plan must conform to standards prescribed under authority of the urban renewal provisions of the Federal Housing Act of 1949 (as amended), and must assure the availability of ade-

quate housing before any people are displaced. To the maximum extent feasible, the relocation plan must coordinate relocation activities with increases in the supply of standard housing suitable for displaced families.

Sec. 107(b). Relocation Payments. This section requires relocation payments to displaced persons, businesses and non-profit organizations ousted by a demonstration city program in the amounts and in the circumstances authorized by Section 114 of the Federal Housing Act of 1949, as amended. Where relocation payments authorized in other existing federal programs utilized in connection with the model city program are less than those authorized by the urban renewal program, model city grant funds will supplement the relocation payments authorized in these other existing programs to make up the difference.

Sec. 107(c). Payments for Relocations Pre-dating the Demonstration Cities and Metropolitan Development Act of 1966. Such relocation payments under the model city program may not be made for displacements occurring prior to November 3, 1966.

Sec. 108. Continued Availability of Federal Grant-in-Aid Program Funds. Except as otherwise specifically provided in subsequent enactment, funds appropriated for a federal grant-in-aid program which are reserved for any projects or activities assisted under such program and undertaken in connection with an approved model city program will remain available until spent.

Sec. 109. Consultation. In carrying out the provisions of this Title, the Secretary of Housing and Urban Development must consult with other federal agencies administering grant-in-aid programs. Such consultation must occur before any commitment may be made under Section 105.

Sec. 110(a). Labor Standards. The prevailing wage provisions of the Davis-Bacon Act (U.S.C. 276a-276a-5) shall apply to the employment of personnel by contractors and subcontractors upon construction, rehabilitation, repair or alteration work assisted with federal funds under this Title if such wages are not otherwise subject to the labor standards provisions of other federal laws *re* federally-assisted construction. However, Davis-Bacon Act requirements do not apply to the construction, rehabilitation, repair or alteration of residential property designed for fewer than eight families.

Sec. 110(b). Duties of Secretary of Labor. He shall have the coordinating authority for the administration of federal labor standards under Section 110(a) above.

Sec. 111(a). Federal Expenditure Authorization for Planning of Model City Programs. This provision authorizes federal appropriations of \$12 million annually in each of the fiscal years 1967, 1968 and 1969 for (1) grants-in-aid for the planning of model city programs, and (2) administrative and technical assistance costs under Sections 104 and 106.

Sec. 111(b). Federal Expenditure Authorization for Execution of

Approved Model City Programs. This provision authorizes federal appropriations of \$400 million in the fiscal year 1968, \$500 million in the fiscal year 1969, and \$1 billion in the fiscal year 1970, for federal "grants and contracts" (1) to assist approved model city programs under Section 105, (2) for technical assistance under Section 106, and (3) for relocation assistance under Section 107. This authorization includes appropriations for related administrative expenses.

Sec. 111(c). Appropriations Under Sec. 111(a) — Sec. 111(b) Continuing. Sums appropriated by Congress under the above authorizations remain available until expended.

Sec. 112. Definitions. As used in this Title —

(1) "Federal grant-in-aid program" means a program of federal financial assistance other than loans and other than the assistance provided by this Title.

(2) "City demonstration agency" means the city, the county, or any local public agency established or designated by the local governing body of such city or county to administer the model city (comprehensive city demonstration) program. (*Ed. note: — In this synopsis, the phrase "model city agency" has been used for the sake of brevity.*)

(3) "City" means any municipality (or two or more municipalities acting jointly) or any county or other public body (or two or more acting jointly) having general governmental powers.

(4) "Local" agencies include state agencies and instrumentalities providing services or resources to a city or locality, and "local" resources include those provided to a city or locality by a state or its agency or instrumentality.

Sec. 113. Increased Expenditure Authorization for Federal Urban Renewal Assistance Where Related to Demonstration Cities. This section authorized an additional appropriation of \$250 million, to be available after July 1, 1967, for grants to urban renewal projects identified and scheduled to be carried out as projects or activities included within an approved model city program.

Sec. 114. State Limit. Federal grants made under Section 105 for model city programs in any one state may not exceed in the aggregate 15% of the aggregate amount of funds authorized to be appropriated under Section 111 above.

In addition to these Model Cities features, the Demonstration Cities and Metropolitan Development Act of 1966, as subsequently amended, provides for:

- (a) Financial assistance to states and localities for areawide planning, including studies relative to improving governmental structure and organization (Title II);
- (b) Expanded mortgage insurance activity by the federal government to increase the supply of housing (Title III);
- (c) A mortgage insurance program to stimulate private investment in "new communities" (Title IV);

- (d) Mortgage insurance for group medical practice facilities (Title V);
- (e) Financial assistance for historic preservation (Title VI);
- (f) Expansion of the federal aid program for urban renewal (Title VII);
- (g) Increased assistance to rural housing program (Title VIII);
- (h) Grants and technical assistance to states and localities "with respect to the solution of urban problems" (Title IX);
- (i) Liberalization of certain provisions of federal laws *re* housing for the elderly, low-rent housing, cooperative housing, low-cost homes, and operation of the Federal National Mortgage Association (Title X);
- (j) Research programs, in the Department of Housing and Urban Development, *re* problems of the urban environment, and application of advances in technology to housing construction and to urban development (Title X); and
- (k) Assistance for college housing (Title X).

Federal Action Under Model Cities Law, 1966-68.

To initiate the federal model cities program, the 1966 Congress provided the Federal Department of Housing and Urban Development — hereinafter referred to as "HUD" — with a continuing appropriation of \$11 million for financial assistance to model city agencies for planning and developing their "comprehensive demonstration city programs" under Section 104 of the Model Cities Law. That continuing appropriation, later expanded to \$23 million, has since been fully allocated by HUD to 150 model city agencies of 45 states in grants ranging from as little as \$65,000 to as much as \$280,000. Of these 150 agencies, approximately 100 had been awarded planning grant contracts by HUD through May 1, 1969. The remaining 50 model city agencies are expected to receive such contracts by the middle of 1969.

The first of these planning grants were made in November 1967 to a group of 63 model city agencies, including four in Massachusetts localities, — Boston, Cambridge, Lowell and Springfield; of the 130 unsuccessful applicant communities, at that time, 11 were in Massachusetts.¹ The fundamental policy followed by

¹ Chelsea, Chicopee, Fall River, Holyoke, Lawrence, Lynn, Malden, New Bedford, Pittsfield, Quincy and Worcester. Subsequently, HUD approved planning grants to five of these communities in 1968, viz: Fall River, Holyoke, Lynn, New Bedford and Worcester.

HUD in making its planning grants to the 63 "first round" cities, and to later applicant communities, has been summarized by the *Journal of Housing* in these terms:

In keeping with the original intent of having model cities begin as a demonstration program . . . The 63 successful applicants represent a geographic and demographic cross section of American cities. They also comprise what Secretary . . . (of Housing and Urban Development Robert C. Weaver) . . . called "a searching and detailed pathology of the urban ills of America". Ranging in size from Pikeville, Kentucky (population 6,000) to New York City . . . (population 7.7 million) . . . and spread across the land . . . The 63 cities have in their model cities "target areas" some 1 million families, or 4 million people. Nearly a third of the families have annual incomes of less than \$3,000; a fourth live in substandard housing and many more are overcrowded; unemployment is double the national level and under employment is substantial; a third of the adults have less than an eighth grade education; and the infant mortality rate is twice that of the nation as a whole . . .

. . . Five criteria were used in the selection. In addition to geography-population, they were (a) the quality of the analysis of the scope and depth of the problems the community sought to deal with through a model cities program; (b) the degree to which there was use of innovative approaches; (c) the evidence provided as to the capacity of the community to carry out a program; and (d) the degree to which there was demonstrated a commitment of local government and private groups to carry out the proposed program . . .

In analyzing the proposals of the 63 cities that were chosen, six areas of concern stand out. They are housing, education, employment opportunities, health, social service, and transportation. Most proposals seek improvement in at least three of these areas; some seek improvement in all.¹

Model city agencies applying for such federal grants are also required by HUD to assure a role in the planning and development of the model city plan and program to residents of the affected model city area.

To finance federal grants to approved model city programs based upon such plans, Congress has provided HUD with continuing appropriations aggregating \$925 million as follows:

- (a) For "supplementary" grants for approved comprehensive city demonstration program services and facilities not subsidized under other federal programs (Secs. 105, 106 and 107 of the Model Cities Law) . . . \$512,500,000.

¹ "First Model Cities Grant Recipients Named", *The Journal of Housing*, No. 10, December 1967, pp. 547-548.

- (b) For grants for approved renewal projects which are identified and scheduled to be carried out as projects or activities included in an approved comprehensive city demonstration program (Sec. 113 of the Model Cities Law, and Sec. 103b of the Federal Housing Act of 1949 as amended) . . . \$412,500,000.

While the 1968 Congress has provided \$512.5 million for HUD-administered grants to localities for "approved comprehensive city demonstration programs" under Section 105 of the Model Cities Law, no contract for such a grant had been awarded through May 1, 1969. In a recent letter to the Legislative Research Bureau, the Secretary of Housing and Urban Development, Hon. George Romney, discussed the status of these grants as follows:

Nine cities were announced by the last Administration as having submitted programs which satisfied the statutory requirement of comprehensiveness. No contracts for supplemental funds, however, have yet been tendered. Our examination of the Model Cities program over the last two months, coupled with necessary clarifications in the first year action plans of those cities already announced, has meant that no contracts were ready for tender until the end of this month.

The Congress has to date appropriated \$512.5 million for section 105 grants, of which approximately \$400 million has been allocated for the cities chosen to participate in the program in 1967. Almost 40 of these cities have submitted comprehensive plans to HUD.¹

Currently, 15 model cities agencies — including that of Boston — are operating under authority of "letters to proceed" issued by HUD, which are intended to facilitate local borrowing for model cities work in anticipation of a Section 105 contract award from HUD. A city is entitled to receive a "letter to proceed" against supplemented Section 105 funds when it submits a comprehensive city demonstration program plan to HUD which appears, on first review, to be likely to receive final HUD approval. The first such "letter to proceed" was issued to Seattle in December 1968, although Boston was the first city in the nation to apply for a Section 105 grant, doing so in November 1968. On May 9, 1969, HUD gave final approval to plans submitted by three model cities, and offered them contracts for Section 105 assistance (Seattle, Waco and Atlanta).

¹ Letter from Hon. George Romney, U.S. Secretary of Housing and Urban Development, to the Director of the Massachusetts Legislative Research Bureau, May 9, 1969.

*Federal Calculation of Grants Under
Section 105c of Model City Law*

The \$400 million in *allocations* of Section 105c grants by HUD do not constitute confirmed grants. They represent only the aggregate of maximum amounts informally earmarked by HUD for each of the Model Cities on the basis of (a) the poverty index and population of the applicant city and (b) the ratio of the amounts actually appropriated by Congress for the Model City Program *vs.* the congressional authorization for that program. Rather complex grant-in-aid formulae developed in HUD regulations control the amounts of Section 105 "supplementary" grants ultimately due to model city agencies whose projects are approved by HUD.¹ Such allocations are not a legal obligation of HUD to model city applicants, but serve as "funds targets" against which model cities agencies can plan; should a model city's plan be approved by HUD, it can be assured of receiving the amount allocated.

Generally speaking, federal assistance under Section 105c involves a "packaging" of federal assistance under all federally-aided programs coordinated in a total commitment of \$30 million in cash, services, activities and capital outlay, of which (a) \$18 million consists of federal grants under a variety of federal aid programs coordinated in that model city, and (b) a "non-federal contribution" aggregating \$12 million. The latter "contribution" may be provided by any non-federal entity, public or private. HUD regulations specify that Section 105c "supplementary" grants are available to pay —

All or a portion of the required non-Federal contribution for any Federal grant-in-aid program which is part of . . . (a federally-approved) . . . comprehensive city demonstration program . . . (and) . . . are deemed to be a non-Federal contribution for the purpose of base computation . . .

In the example cited above, the Section 105c supplementary grant could not defray more than 80% — or \$9.6 million — of

¹ U.S. Department of Housing and Urban Development, *Computation of the Base for the Supplemental Grant* — CDA Letter #7, MCGR — 3100.7, Washington, D.C., November 1968, 10 pp., plus attachments.

the \$12 million "non-federal contribution", assuming that Congressional appropriations for the Model Cities Program equal the Congressional authorization. When the former fall below the latter, as at present, the supplementary grants aforesaid are reduced proportionally.

Action by States to Implement Federal Program

Rationale of State Model Cities Involvement

Financial Plight of Municipal Governments. National authorities have been advocating state technical assistance and financial support to the Model Cities Program because of the limited fiscal capacities of most American municipal governments, especially those of central or "core" cities. The financial plight of such city governments has been emphasized by the National League of Cities in a recent analysis of the problem of financing America's urban needs:

Central city governments are being burdened with far more than their share of urban costs.

They are burdened with more than their share of welfare costs, education costs, and regional facility costs. They are paying costs that should more properly be borne by the federal government, paying costs that should at least be shared by their suburbs, paying many costs that should be met by private enterprise and should not be subsidized in any level of government — federal, state or local.

They are burdened with far more costs than they can meet with their present taxing powers or their present tax resources, more costs than they can meet under today's state-imposed restrictions on their taxing authority, more costs than they can meet without pushing their tax rates so high that they would drive still more people and more business to lower-tax shelters outside the city line. Perhaps worst of all, in every state except Hawaii, they are burdened with state-imposed property tax rules that make them subsidize obsolescence, blight, decay, slum formation, and sprawl by under-taxation at the same time that they penalize and inhibit improvements by taxing them more heavily than any other major product of American industry except hard liquor, cigarettes, and perhaps gasoline.

They are burdened with costs so far beyond their own present revenue raising powers that many mayors must spend far too much of their time begging grants-in-aid from the state and/or federal governments, so too many people seem to think the state and federal governments are subsidizing our cities. On the contrary, it might more truly be said that cities are subsidizing the state and federal govern-

ments by carrying heavy costs for functions which are a state or federal rather than a local responsibility.

The bigger the city the bigger the money squeeze is apt to be . . . But many smaller cities . . . with less than their share of taxables and more than their share of poverty problems, school problems, sprawl problems, tax exemption problems, and integration problems are in trouble too . . .

From World War II through 1967 local governments raised their local tax collections 499 per cent, but city costs have climbed nearly 10 per cent faster . . .

At today's growth rates of city spending vs. city tax revenue plus state and federal aid, the urban deficit for the next 10 years is estimated by the National League of Cities at \$262 billion plus. If the gap is anything like that big, it is all too obvious that something must be done to close it . . .¹

It is thus evident that very large sums are needed to enable the Model Cities Program alone to attain its objectives. Reliable estimates of the amounts required are unavailable, and considerable controversy exists within the federal government as to the projection of the federal financial commitment over the next five years. Some estimates place this federal expenditure as high as \$27 million.² In 1967, the Mayor of Philadelphia declared that over the next six years over \$600 million of federal and other funds would be needed to rehabilitate blighted areas within that metropolis.³

National Studies Urging State Implementation. In that same year, a study by the staff of the Committee on State-Urban Relations of the National Governors' Conference urged the states to enact their own "state model cities programs", to assist localities in applying for federal grants, and to apply the Model Cities concept to existing state urban assistance programs.⁴ In

¹ National League of Cities, "Financing Our Urban Needs\$", *Nation's Cities*, Special Issue, March 1969, 50pp; at pp. 21-22. Published in Washington, D.C.

² "Nixon Aide Reported Questioning Model Cities", *Boston Globe*, March 30, 1969, p. 8.

³ Library of Congress, Legislative Reference Service, *Model Cities — Program Summary and Pro-Con Arguments*, Pamphlet JS-310/E-254, Washington, D.C., October 11, 1967, 13 pp; at p. 10.

⁴ National Governors' Conference, Committee on State-Urban Relations, *The States and Urban Problems*, Staff Study, October 1967, 200 pp; at p. 50. Publisher and place of publications not indicated.

1968, that Committee again stressed its belief in state financial assistance to the model cities and called upon all state governors to promote "greater and more progressive state involvement in the Model Cities program, and in all federal-urban programs, particularly in response to increasing federal encouragement."¹

Similarly, officials of HUD have noted that the states are of major importance to the Model Cities Program because their counties, districts and municipalities are, constitutionally speaking, creatures of the respective states. The key decisions as to what entities and individuals are to receive and spend federal aid, how that aid is to be used, and what levels of services are to be provided, are state decisions. Consequently, HUD authorities regard state cooperation as essential to the raising of part of the substantial funds required for model cities and other urban rehabilitation undertakings.²

Moreover, advocates of a heavy state commitment in grants and technical assistance to the model cities emphasize that because of their closer proximity to local government the states have far more at stake in their urban areas than the federal government. Decaying urban areas sap the social and economic vitality of the state, and produce serious threats to the domestic tranquility of the state. On the other hand, reviving urban communities enhance the environment, economy and revenue base of the state and give it added strength with which to meet the many public needs and challenges of the age. National authorities point out that the federal government has a similar interest in the cities, but that it must divide its attention and resources among domestic, defense and external demands. Thus, it is contended, economic common sense, fundamental considerations of social justice, and the interests of national security suggest a maximum responsible urban effort by each state. Otherwise, increasingly severe domestic difficulties in the United States may tempt its foreign enemies

¹ National Governors' Conference, Committee on State-Urban Relations, *Report*, July 22, 1968, 29 pp.; at pp. 1, 2, 24.

² U.S. Department of Housing and Urban Development, *Model Cities: Progress and Problems in the First Ten Months*, Remarks of H. Ralph Taylor, Assistant Secretary for Model Cities and Governmental Relations, at Midwest Regional Conference, Dayton, Ohio, September 6, 1968; 19 pp.

to risk broader and bolder actions which, in turn, will necessitate higher military expenditures at the expense of domestic programs.

Obstacles to State Implementation

While the states are being urged to commit themselves more extensively to the Model Cities Program, certain factors cause these states to approach the whole proposition very cautiously. Some of these considerations relate to federal aid programs generally, whereas others pertain more specifically to model cities.

Complex Structure of Federal Aid Programs. For the states the task of making the "right decision" about model cities and other urban proposals is complicated by the burgeoning variety of more than 450 different federal aid programs which were discussed in these terms in a recent report by the Legislative Research Council:

In recent years there has been a proliferation of federal grant programs. More grants-in-aid have been authorized since 1962 than in all previous years. It is this very proliferation over such a short space of time that has left local officials bewildered as to what is available, and how best to choose from the multiplicity of programs once they are informed . . . Since many project grants bypass the state government there is often no guidance at the state level.

A wide array of matching ratios creates further confusion . . . Different policy purposes of the grants account in part for this development. But one result is that state and local officials tend to reach for the so-called easy money; in other words, they are induced to spend more of their available resources on the programs that call for higher federal spending regardless of the local priority of project needs . . .

In recent years there has been an increasing number of direct grants to local governments thus bypassing the traditional role of the state in grant administration. Direct . . . (federal) . . . grants weaken the role of the state government but they are explained as necessary because states have failed to respond to their urban needs . . .

To maximize benefits, communities are encouraged to abandon the no longer desirable piecemeal approach in favor of a packaged program that is directed at a total array of problems. This approach, illustrated by the model cities program, brings to bear on the problem—identified, all the resources of the Federal Government . . .

The most frustrating aspects in examining the impact of federal aid on cities and towns are (1) the lack of a coordinated federal grant-in-aid system, and (2) the lack of a centralized source of grant-in-aid data. The absence of coordination has led to overlapping, duplication, triplication, conflicting goals, cross purposes, lack of consis-

tency and loss of direction. The absence of a central data storage source makes it impossible to measure with any accuracy the actual extent of federal assistance to the cities and towns and leads to ineffectual use of grants available . . .

. . . Without . . . (reliable information), public officials who have responsibilities that range over the broad spectrum of government will never be able to gauge relative needs with any confidence . . .¹

Aside from this "confusion of the multitude" in federally-aided programs, there is the related factor of the absence of any scheme of national priorities in meeting domestic needs which would enable Congress and the state legislatures to place "first things first" in the evaluation of proposed urban expenditures.

Furthermore, most state legislatures — including the Massachusetts General Court — lack sufficient professional staff of their own to determine reliably the need and projected costs of proposed urban programs, including model cities.² The unsatisfactory experience of the states with some federally-aided social programs, such as Medicaid, has induced a cautious attitude in state legislatures relative to the Model Cities Program, pending a further definition of its objectives, scope and costs.

Currently, the whole structure of federal aid programs, including Model Cities, is undergoing an intensive review by the new Nixon Administration and by the Congress. Authorities are considering the possible consolidation of the 450-plus programs into a smaller number of more generalized functionally-oriented "block grant" categories of assistance which afford greater flexibility of administration at the federal, state and local levels.

Uncertainty as to Long-Term Objectives and Costs of Model Cities Program. State decisions as to the appropriate extent of state involvement in the Model Cities Program must take into account the uncertainties now reported in federal circles as to the ultimate objectives and costs of that program and the degree of federal financial commitment to it. On this score an Associated

¹ Massachusetts Legislative Research Council, *Federal Assistance to Cities and Towns*, Senate, No. 1260 of 1969, 86 pp.; at pp. 10-14.

² Massachusetts Legislative Research Council, *Legislative Committees in Massachusetts and Other Selected States*, Senate, No. 1032 of 1966, 107 pp., at pp. 39-46, 75-83.

Press dispatch of March 30, 1969 stated that—

One of President Nixon's top advisers, pointing to a five-year cost projection of \$27 billion, is urging that the Model Cities program be abandoned, sources said yesterday.

The sources said the arguments of economist Arthur Burns run counter to the views of a solid phalanx of Mr. Nixon's urban advisers. These aides want President Nixon to endorse the program, launched by Lyndon B. Johnson's Democratic administration to attack urban squalor in 150 of the nation's poorest neighborhoods . . .

. . . But special presidential assistant Martin Anderson, also an economist, denied that Burns was proposing the program be abandoned. . . .

. . . Unanswered questions besides costs include, Anderson said, "exactly how the program is operated in the cities, what kind of programs are being proposed, what is Model Cities trying to do . . . It's still unclear in my mind."

A subcommittee headed by Secretary of Housing George Romney is expected to recommend to the . . . (President's) . . . Urban Affairs soon that the program be continued, but confined to the 150 cities already participating . . .

Model Cities costs are not expected to rise above the \$1 billion level until fiscal 1971 when all 150 cities begin reaching the action phase.

One source said the \$27 billion figure was supplied by Romney's department at the request of the Urban Affairs Council . . .

"They were asked to guess," he said. He called the figure the "highest possible estimate" of the programs cost and said that it was based on projections of the five-year plans submitted by six of the . . . cities. . . .

Richard Nathan, assistant Budget Bureau director . . . said the departments projection was "a benchmark."

"It doesn't represent anything like the commitments to programs or projects," he said. "It is impossible," Nathan said, "to estimate the cost of the program until the program itself has been defined."

One source said at least \$11 billion of the projected \$27 billion would come from already existing programs . . . that would proceed with or without Model Cities.

Pressures have been building in Congress to expand the program to other cities. The already-selected cities have been pushing for administration action on the programs stalled since Nixon took office . . .¹

While holding that the goals of the Model Cities Program are sound, a subcommittee of the President's Council for Urban Affairs has noted several "critical deficiencies in its administration". The Council criticized federal agencies for inadequate liai-

¹ "Nixon Aide Reported Questioning Model Cities," *Boston Globe*, March 30, 1969, p. 8.

son with the state governments and for failing to respond sufficiently to local proposals reflecting local conditions, and observed further that —

In developing their proposals, local authorities have been hindered by uncertainty as to the amounts of funds that would be available from the federal departments . . .¹

Clearly, state and local financial involvement in the Model Cities Program is affected by state and local concern over cost aspects, and state and local confidence in federal guarantees of continuing federal financial support of that program. This aspect is of particular interest to state legislatures conscious of growing discontent in the middle income population over increased taxation, the rising costs of social services, and urban disorders.

Constitutional Limitations on State Financial Commitment. To the extent that federal policies as to the scope of the Model Cities Program and of the federal financial support to it are in a state of flux, state authorities are reluctant to pledge state financial support because of the financial limitations under which state governments must function. In contrast with Congress which can utilize deficit financing, far-ranging federal borrowing and a variety of controls on the national economy to serve national objectives, state legislatures must act within a much more limited scope of authority which compels them to be conservative in financing their urban programs. Given this consideration, state legislatures must have a firm federal guarantee of assistance as a condition of any major state commitment in the urban area. If the federal government sounds an "uncertain trumpet," the state response is bound to be cool.

In all but nine states of the Union,² the Governor is required explicitly or implicitly by the constitution, or by tradition, to submit a "balanced" state budget to the legislature. Of the 41 states with "balanced budget" practices, 27 have constitutional or statutory provisions to the effect that expenditures may not exceed

¹ U.S. Department of Housing and Urban Development, *HUD News*, "Secretary Romney's Statement on Model Cities," Washington, D.C., April 28, 1969, 4 pp. mimeo.

² Ariz., Fla., Ind. Ia., Neb., N.Y., S.D., Vt. and Va.

state revenues.¹ As a rule, local governments throughout the nation must also function within their authorized tax revenues and borrowing powers.

More importantly, state and local governments are obliged to observe limitations imposed upon their indebtedness by state constitutional and statutory provisions. Of the 50 states, only eight are reported to be free of substantial restrictions on state borrowing,² while a ninth state (Ha.) has a liberal \$60 million state debt limit. Another 19 jurisdictions either lack specific constitutional borrowing powers or function under very low debt ceilings, requiring in either case constitutional amendments to permit borrowing.³ In 23 states, including some of the foregoing, state borrowing may be authorized by the legislature, subject to voter referendum.⁴ At least five states require extraordinary majority votes of the legislature in favor of state bond issues.⁵ Generally, the 50 states regulate very tightly the borrowings by their local governments, as to amounts, purposes, approval by extraordinary majority votes of the local legislative body, and voter referenda.

Efforts to remove or liberalize constitutional and statutory limits on state and local government indebtedness, whether to benefit the Model Cities Program or other causes, face stiff opposition from the middle income electorate and property taxpayers.

By-Passing of State Governments. Some state authorities have expressed concern over the extent to which they believe that state governments have been bypassed in model cities matters by federal and local officialdom. They complain that the Federal Model Cities Law affords no defined role to the states, and that all model

¹ Tax Foundation, Inc., *State Expenditure Controls* — An Evaluation, New York, N.Y., 1965, 80 pp., at p. 27. All 27 state are not indicated, but include: Ala., Colo., Ga., Ha., Ida., Ill., Miss., Mont., Nebr., N.J., Okla., Utah and W. Va.

² Conn., Del., Md., Mass., Miss., N. H., Tenn. and Vt.

³ Ala., Ariz., Colo., Fla., Ga., Ida., Ind., La., Me., Nebr., Nev., N.D., Ohio, Ore., S.D., Tex., Utah, W. Va. and Wisc.

⁴ Alas., Ark., Calif., Ida., Ill., Ia., Kans., Ky., Me., Mich., Mo., Mont., N.J., N.M., N.Y., N.C., Okla., Pa., R.I., S.C., Va., Wash. and Wyo.

⁵ Ala., Del., Ha., Mass. and Minn. (2/3 majorities, except in Del. where a $\frac{3}{4}$ majority is required).

cities priorities are determined by the Federal Government. Such state authorities express discontent with the "target concept" of the Model Cities Program especially when the selection of "target areas" is made with little reference to the state government's viewpoint, obligations and interests.

Of particular moment to state legislatures is the possibility that they will be called upon in the near future to underwrite model cities arrangements entered into by federal and local officials without prior consultation with the state. The states would face difficulties if overly-enthusiastic local model cities officials venture beyond the model cities objective of experimentation with innovations and new ideas on a "demonstration" basis. State authorities are uncertain as to what the state government is expected to do, once these model cities have "demonstrated" whatever it is that they are supposed to demonstrate. A few state officials go further to note that, as one Congress cannot bind another, there is no assurance that future retrenching Congresses will not reduce federal participation in the program for "economy" or political reasons, thus leaving the state "holding the bag" in the face of the aroused expectations of the urban poor.

In response, federal officials point out that state legislatures have power to control model cities within their respective states by means of general laws establishing (a) appropriate procedures and criteria for state review and approval of local applications for federal grants, and (b) standards of model city organization, administration and financing. In addition, the state legislatures have ample means of preventing unwanted escalations of model cities spending, through such standards and through limitations on state appropriations for model cities grants. Federal authorities favor a significant role for state government in the Model Cities Program. On this score, HUD Secretary George Romney has observed that—

... we are actively working to increase the role of the States in the Model Cities Program. Our model cities staff has been instructed to encourage city staff to develop early, close relationships with those state agencies whose knowledge or resources can make valuable contributions to local programs. One method we have brought into active use is the funding, through our 701 program, of improved staff capability

in the Governor's office. We have other proposals under active study at this time, both within our own staff, and in consultation with the National Governor's Conference.¹

Competition for Federal and State Financial Assistance. State involvement in the Model Cities Program may be impaired in some instances by old-fashioned political "log rolling" considerations as to the apportionment of the contemplated state aid funds among communities with model cities undertakings. Thus, the Colorado Legislative Council noted that "politically there is not enough power to provide . . . (state) . . . money for Denver without also sending some to other cities in the state."² Furthermore, state authorities may be most reluctant to intercede in a bitter local controversy over the portion of a city to be designated as a "model city" neighborhood.

State Model Cities Programs

Currently, the great majority of states make no statutory provision for a distinctive state model cities program which furnishes state financial and technical assistance to local model cities agencies. Evidently, local model cities agencies in these states must deal individually with the various state departments administering state aspects of specific categorical federal and state aid programs, such as those for highways, planning, housing, urban renewal, education, welfare, public health, water supply, sewerage and waste disposal. The local share of costs may or may not be subsidized by the state under these categories, depending upon the particular state.

In a small minority of at least four states, however, the state legislature has authorized distinctive programs of state financial and technical assistance to local model cities agencies (Ha., N.J., N.Y. and Pa.). A fifth state, Arkansas, made \$15,000 available by executive action from the Governor's contingency fund to a single model city for planning purposes; but the Legislature subsequently declined to make specific appropriations for this pur-

¹ Letter from Hon. George Romney, U.S. Secretary of Housing and Urban Development, to the Director of the Massachusetts Legislative Research Bureau, May 9, 1969.

² Reply to Massachusetts Legislative Research Bureau questionnaire, May 23, 1969.

pose for the benefit of other model cities, with the result that all such state financial help terminated. And in two other states the feasibility of a state model cities assistance program is reportedly under study (Ill. and Wisc.).

Hawaii. To stimulate the rehabilitation of depressed sections of the metropolitan city and county of Honolulu, the Hawaiian Legislature enacted a "Progressive Neighborhoods Law" in 1967 which authorizes wholly at state expense (a) a model school in a major blighted neighborhood, (b) a comprehensive child health services program, (c) a resident physician service, (d) a detached social worker program and (e) a system of community improvement grants to self-help groups for housing and other capital improvements¹ These activities, administered directly by state departments, are intended to support the model city program in Honolulu and its suburbs. In addition, the 1968 Legislature has also furnished Honolulu with a \$150,000 state grant, on a local matching basis, toward the local share of model city planning costs.

New Jersey. This state has enacted no detailed legislation establishing a state model cities program, ordaining specific formulae for the distribution of state grants to model cities, or prescribing standards of model cities operations. However, the New Jersey Legislature, by means of a line item in the annual state budget act, has provided its State Department of Community Affairs with appropriations of \$300,000 in fiscal 1968, \$610,000 in fiscal 1969 and \$2 million in fiscal 1970 for state financial assistance to model cities.

The State Department of Community Affairs now awards state grants to model cities agencies for state-approved (1) salaries of model cities staffs, (2) planning projects, and (3) selected projects and activities. The Department requires local matching of such state grants, but not on a uniform basis. Each model city application for state aid is reviewed by the Department, and a state grant is negotiated with the locality on the basis of (1) state approval of the model city planning project or Section 105 demonstration program, (2) financial ability of the locality to meet model cities costs, and (3) the totality of those costs. Thus, the

¹ Ha. Rev. Stats., c. 361 (added by Laws of 1967, c. 299).

New Jersey Legislature has left the basis of model cities grants wholly within the discretion of the Department, subject to the limits of the above-cited annual state appropriation, which represents the Legislature's idea of what the state can afford to dedicate to the Model Cities Program authorized by Congress.

Through early 1969, state grants had been awarded to 13 model cities by the New Jersey Department of Community Services.

New York. A program of state technical and financial assistance is provided to model cities in New York by the State Office of Planning Coordination under the terms of the New York Executive Law as amended by that state's Legislature in 1968 and 1969.¹ That office is directed by this statute—

To encourage, facilitate and coordinate the development planning activities of the state agencies, including such activities connected with comprehensive city demonstration programs carried out under authority of . . . law . . . and to coordinate such activities with activities of municipalities, the federal government and governments in other states . . .²

Within the limits of available state appropriations therefor, the State Office of Planning Coordination is authorized to make state grants to municipalities covering 50% of the costs to municipalities of preparing applications to the federal government for federal assistance for the planning of model cities programs under Section 104 of the Federal Model Cities Law. In the instance of municipalities which have contracted with HUD for Section 104 federal planning grants, the State Office of Planning Coordination may make state grants, within available appropriations, to such localities to cover 50% of the net local cost of undertaking and completing this planning, exclusive of federal aid; however, the state contribution may not exceed one-eighth of the federal grant to the community. In addition, the State Office of Planning Coordination may make interest-free loans to communities which have applications pending before HUD for Section 104 model cities planning grants, but for which federal funds are not then avail-

¹ N.Y. Executive Law, Art. 19-K, ss. 545-549, as amended by: Laws of 1967, c. 773; Laws of 1968, cc. 420, 509 and 829; and Laws of 1969, c. 457.

² N.Y. Executive Law, Art. 19-K, s. 548 (2).

able; however, that state loan to any such locality may not exceed 90% of the "reasonably anticipated costs of undertaking and completing such planning".¹

However, New York does not provide state financial support to the implementation of model cities programs under Section 105 of the Federal Model Cities Law, other than through continued, substantial, categorical grant-in-aid programs such as those relating to housing, education and rat control.

At the time of writing of this report, information had not been received as to the total funds made available by the State Legislature for the planning of model cities in 1968-69.

Pennsylvania. Like New Jersey, Pennsylvania has no specific state model cities law, but assists local model cities *via* the state appropriation act route. The Pennsylvania State Department of Community Affairs utilizes a portion of its annual appropriation for assistance to housing and urban renewal to provide a state subsidy toward the local share of model cities planning costs. As in New Jersey, the amount granted to each locality varies, on the basis of negotiations with local officials. Commonly, 50% of the local share is underwritten by the state, with some communities receiving a 100% state grant. More precise information on these state aid arrangements had not been received at the time of preparation of this study.

Model Cities Developments in Massachusetts

State Legislation re Model Cities

Except for a few statutes making brief reference to model cities agencies,² the General Court has not enacted any law establishing a distinct state program relative to model cities. Instead, local activity in respect to the planning and execution of model city programs has proceeded under authority of general statutory pro-

¹ N.Y. Executive Law, Art. 19-K, s. 548 (15).

² Acts of 1968: c. 153, requiring model city agencies to notify local historical commissions of their public hearings; c. 603, exempting certain positions on model city agency staffs from the Civil Service Law; c. 761, establishing the State Department of Community Affairs, and giving it certain duties with respect to model cities.

visions relative to public housing, rental assistance, land assembly and redevelopment, housing relocation and rehabilitation, commercial and industrial redevelopment, and urban renewal (G.L. c. 121, ss. 26J-26MMM; G.L. c. 121A). Efforts are being made to coordinate local and state action under these statutes with activity under other state-aided programs such as those pertaining to the construction and operation of schools, public health, highways, and the like. Of particular significance are the three areas of housing, urban renewal, and school aid, noted below.

Housing. As previously indicated, the Commonwealth guarantees the debt incurred by local housing authorities and redevelopment authorities for the acquisition, construction and rehabilitation of dwelling units to be let at low rentals to low-income veterans, elderly persons, disabled persons and others, subject to the approval of the State Department of Community Affairs. Further, the Commonwealth provides (a) an "annual contribution" not exceeding 2.5% of the state-approved project cost and (b) an "additional annual contribution" not exceeding 1.5% of the state-approved project completion cost, to be used for the retirement of that authority debt. Finally, the Department of Community Affairs is empowered to make grants to housing authorities for the leasing of housing for low and modest income families qualifying under the federally-aided "rental assistance" or "rent supplement" program. Detailed statutory standards and limitations control all these state aid arrangements as well as local activity in respect to project aspects not subsidized by the state or federal governments (G.L. c. 121, ss. 26NN, 26RR, 26VV, 26JJJ and 26KKK).

The current maximum authorized state financial commitments to these housing programs — including allocated and unallocated funds — are summarized in the following Table 6. That table excludes the \$300,000 state advance to the Massachusetts Housing Finance Agency in 1968 for federally-insured mortgage loans in aid of multi-dwelling housing for low-income families; this sum must be repaid to the state within 16 years following its receipt by the agency (Acts of 1968, c. 709).

Table 6. Maximum Authorized State Financial Commitment in Aid of Housing Programs of Local Housing and Redevelopment Authorities in 1969 (in Millions)

<i>Housing Program (G.L. c. 121)</i>	<i>Aggregate Debt Guarantee</i>	<i>Annual Contribution</i>	<i>Additional Annual Contribution</i>
Low Rental, General (s. 26NNN)	\$225.00	\$ 5.62	\$1.80
Low Rental, Elderly (s. 26VVV)	210.00	5.25	3.15
Rehabilitation (s. 26JJJ)	20.00	—	—
Relocation (s. 26RRR)	25.00	—	—
Rental Assistance (s. 26KKK)	—	1.00 ¹	—
	\$480.00	\$11.87	\$4.95

¹ Of this sum, no more than the following amounts may be allocated to any one municipality: (a) municipalities of over 500,000 inhabitants, 50%; (b) municipalities of 100,000 to 500,000 inhabitants, 20%; (c) smaller municipalities, 10% (Acts of 1966, c. 707).

Urban Redevelopment and Renewal. State financial assistance to urban renewal, excluding housing aspects thereof, consists of grants-in-aid for projects, undertaken by local redevelopment authorities, which have been approved as to their financial and technical aspects by the State Department of Community Affairs. Two basic state assistance programs are in effect on this score.

The first program furnishes state financial assistance to localities in respect to their urban redevelopment and urban renewal projects which have been approved by HUD for federal capital grants under the Federal Housing Act of 1949, as amended (42 U.S.C.A., s. 1450 et seq.). The State Department of Community Affairs is empowered to award a state grant not exceeding 50% of the local contribution required of the municipality by the federal government in respect to that capital grant, or more than 16-2/3 of the net project cost when the municipality pays for administrative, planning and legal expenses as part of the gross project cost. The total amount of state grants payable under this assistance program is \$40 million, not to exceed \$2 million in any one year (G.L. c. 121, ss. 26DDD-26FFF).

The second state aid program relates to local urban redevelopment and urban renewal projects — including residential, com-

mercial and industrial projects — which are ineligible for federal financial assistance. The State Department of Community Affairs is authorized to make advances to local redevelopment authorities equal to 75% of the state approved costs incurred by those agencies for surveys, plans and administrative work in preparation of such projects; these advances are repayable to the state from the subsequent state grant for the project as finally approved for execution. The latter state grant may not exceed 50% of the net cost of the project. The aggregate of state funds payable under this program, including the foregoing advances, has been limited by statute to \$20 million, not to exceed \$1 million (including \$200,000 only for advances) in any one year (G.L. c. 121, ss. 26GGG-26HHH).

State Assistance to the Public Schools. Of the many state programs which provide financial and technical assistance to local public schools, two have special significance for model cities, namely: (1) the School Building Assistance Program administered by the Bureau of School Building Assistance in the State Department of Education, and (2) the Racial Balance Program.

The School Building Assistance Act authorizes state grants to localities on a "sliding scale" basis to defray local costs for the construction of state approved school buildings and school building additions. The grant to any municipality, county or regional school district for such a project is governed by the result of (a) a specified portion of the approved project cost multiplied by (b) the state equalized property valuation per pupil in net average school membership for the entire state divided by (c) the state equalized property valuation per pupil in net average school membership for the assisted school jurisdiction. These grants vary from a minimum of 40% to a maximum of 50% in the instance of individual municipalities and counties, while 40% to 65% range prevails for regional school districts (Acts of 1948, c. 645, as amended).

If the State Department of Education determines that a state-approved school construction or school building enlargement project is to be undertaken to reduce racial imbalance in a municipal or regional school system, the state grant is automatically increased

to 65% of the project cost (G.L. c. 15, s. 1I). A "racially imbalanced" school is defined as one in which the non-white students comprise more than 50% of that school's student body (G.L. c. 71, s. 37D).

A 1968 amendment to the School Building Assistance Act stipulates that the *maximum* school building assistance grant shall be available to communities designated as areas of substantial or persistent unemployment, or as depressed ("Group D, E or F") localities, in the periodic publication *Area Trends in Employment and Unemployment* issued by the United States Department of Labor (Acts of 1968, c. 707).

A total of \$33 million has been appropriated by the General Court for all categories of school building assistance grants to localities in the fiscal year ending on June 30, 1970 (Acts of 1969, c. 452).

Financial assistance is also available to localities in connection with other programs of the State Department of Education for the elimination of racial imbalance in the local schools (G.L. c. 71, ss. 37C-37D; c. 76, ss. 12A-12B). The 1969 General Court has appropriated a total of \$1 million for state grants-in-aid to localities participating in the "METCO" program for the reduction of inner city school racial imbalance, through the enrollment of inner city disadvantaged children in suburban schools during the 1970 fiscal year. In addition, another \$100,000 was provided to the State Department of Education during that year for administrative costs in respect to the elimination of racial imbalance; this appropriation permits the employment of staff to give technical advice to local school systems having racial imbalance difficulties.

By statute, the State Department of Education is empowered to establish no more than three "experimental school projects" for the development of educational innovations. Plans for such projects must be prepared by the Educational Development Commission, whose 21 members are appointed by the State Board of Education. Such plans must be submitted to the latter Board which may approve them with or without modifications, or may reject them. Each plan must be supported by detailed information and data covering various aspects specified in the relevant

statute, including, among others, financing arrangements and participation by the communities to be served by the experimental school (G.L. c. 15, s. 1G; Acts of 1967, c. 808).

Currently, one such experimental school project is in the advanced stages of planning, aided by a \$390,000 Ford Foundation grant. This project, for the metropolitan Boston area, is being planned by a non-profit corporation— the Committee for Community Educational Development, Inc. — jointly with the Educational Development Commission. The project envisages an initial enrollment of between 250 to 500 primary grade children (including children of the Boston Model City area) who will attend classes in several leased facilities located at strategic points in the Boston area. Ultimately, the plan will call for the expansion of this student body to 2,000 youngsters in kindergarten through high school grades, and their housing in a newly-constructed school plant. The General Court has appropriated \$500,000 to assist the operation of this one experimental school during the 1970 fiscal year. The department contemplates two other such schools elsewhere in the commonwealth, upon approximately the same basis.

The Boston Model City Administration is cooperating with the State Department of Education and the Committee for Community Educational Development, Inc. in the above experimental school effort.

Massachusetts Model Cities in 1969

General Aspects. As of May 14, 1969, model city agencies existed in the nine Massachusetts cities of Boston, Cambridge, Fall River, Holyoke, Lowell, Lynn, New Bedford, Springfield and Worcester. Of these model city agencies, four were among the "first round" of 63 model cities confirmed by HUD in November of 1967 for federal financial assistance for the planning of comprehensive city demonstration programs under *Section 104* of the Demonstration Cities and Metropolitan Development Act of 1966 (Boston, Cambridge, Lowell and Springfield). The remaining five Massachusetts model cities received HUD approval for such *Section 104* planning grants in the middle and later part of 1968 and early 1969.

Section 104 planning grants are made by HUD in response to an application by the municipality, approved by the governing body thereof. The application must reflect the participation of model city neighborhood residents in its preparation, indicate the local administrative organization for the execution of the planning study, set forth the neighborhood needs to be analyzed, provide for the participation of neighborhood residents and interested agencies in the planning process, present study cost data and designate the date (not more than 12 months for the beginning of the study) on which a plan for a "comprehensive city demonstration program" will be proposed.

Through May 14, 1969, only three of the nine Massachusetts cities — Boston, Cambridge and New Bedford — had advanced to the point of submitting an application to HUD for federal financial assistance for the implementation of a "comprehensive city demonstration program" under *Section 105* of the Demonstration Cities and Metropolitan Development Act of 1966. Such federal aid depends upon HUD approval of the model city plan developed by the model city agency in the course of its Section 104 planning study and approved by the city council (with mayoral concurrence where required by the city charter). In compliance with federal requirements, an application for Section 105 assistance must detail a five-year plan for the implementation of the respective model city program, divided into first, second, third, fourth and fifth year phases. These stages are subject to review and modification as the program moves along, based on continuing planning and evaluation. The Boston application was given final approval by HUD in July 1969. HUD action on the Cambridge and New Bedford model city applications is currently pending.

The varying administrative characteristics of the nine Massachusetts model cities agencies, and the status of their activities, are summarized below. As used in the following text, the terms "Section 104" and "Section 105" refer to those restrictive provisions of the Demonstration Cities and Metropolitan Development Act of 1966. The "city contribution" mentioned below consists of direct city appropriations for model city purposes, plus the value of other services furnished by the city but charged to the

budgets of departments other than the model city agency. Information for some model cities is incomplete, because their model cities agencies were organized only recently and hence experienced difficulties in answering certain inquiries of the Research Bureau.

Boston. The Boston Model City Administration was created by action of the Mayor and City Council in April 1967, following studies by the Boston Redevelopment Authority and Action for Boston Community Development, Inc. The Model City Administration serves within the Mayor's Office, and is headed by a Director named by the Mayor. Associated with that agency is a Model Neighborhood Board which consists of 18 members elected by residents of the model city, three being elected from each of the six areas into which that "city" is divided. The board has advisory powers with respect to plans and programs of the Model City Administration, may recommend the priorities to be assigned to model city needs and conducts studies. It utilizes a variety of committees composed of model city residents in its work.

Among the 63 "first round" municipalities to receive a Section 104 planning grant in November of 1967, Boston was awarded \$240,813 in federal aid, which it supplemented with a city contribution of \$48,163 and with \$16,365 from other sources. Subsequently, in October 1968, the Model City Administration submitted to the Boston City Council its proposed plan for a five-year comprehensive city demonstration program, to be aided by federal grants under Section 105, for the rehabilitation of a "model city" neighborhood occupying about 2,000 acres in Jamaica Plain, Dorchester and Roxbury.

This neighborhood suffers from extensive social and physical deterioration, with a critical range of acute housing, health, educational and unemployment problems. Its population of 62,500 (10% of the Boston inhabitants) is about 57% Negro and accounts for over 18% of the Boston public welfare case load. Half of its income-earners receive less than \$6,000 annually. Of 27 school buildings in the area, 18 are over 50 years old; and local dissatisfaction with school organization and programs is widespread. Crime and juvenile delinquency rates are high. Public facilities and

services, including recreation, are deemed inadequate, and there are severe problems in police-community relations.

In November 1968 the City Council approved the proposed plan, after making a number of amendments including (1) deletion of a "negative income tax" experiment, (2) a substantial revision of police-community relations features, (3) elimination of local control over school aspects of the plan, and (4) drastic revision of features relating to the employment of model city residents on model city construction projects. Major goals of the amended proposal are reflected in the following seven topical areas:

(1) *Education.* Objectives in this field seek improvement of elementary and secondary school programs and facilities, including establishment of the experimental pilot school project referred to earlier; expansion of adult education services; and establishment of an urban college.

(2) *Housing.* The rehabilitation of over 12,000 existing substandard housing units, and the addition of over 3,000 new housing units, is sought for middle and lower income families in a program stressing home-ownership by such families, and by housing cooperatives.

(3) *Economic Development.* Prime goals in this field include formation of a community development corporation, controlled by the model neighborhood, to develop an adequate business base within that neighborhood by means of "seed money" advances, loans, technical assistance, and concentrated training programs for the unemployed and under-employed to qualify them for better jobs.

(4) *Health.* The Model City Program calls for at least six 24-hour family health care centers, the establishment of child day care services to aid working mothers, the development of improved health information services and programs, a plan for the eradication of drug addiction, and programs for the elderly.

(5) *Welfare and Youth Services.* Main emphasis under this heading is placed on the development of an effective referral system to guide persons in need of help to the proper authorities. A further study of the possibilities of a "negative income tax" will be undertaken. And attention is to be given to the establishment of a neighborhood youth council, a youth resources center, and a program for the rehabilitation of youthful offenders.

(6) *Public Facilities and Services.* This aspect of the Model City Program seeks development of a capital improvement program for the model neighborhood, the up-grading of parks and other recreational facilities. It further stresses over-all improvement of the volume and quality of all governmental services to the model neighborhood population. This effort involves a community survey of model neighborhood needs in all categories.

The projected cost of financing this program during its first year is estimated at \$18.5 million, of which \$7.7 million represent *Section 105* and related HUD model city grants; \$6.7 million consist of grants by HUD and other federal agencies for projects dovetailed with the Model City Program; and about \$4.1 million are to come from various nonfederal sources. To carry out this program, the Boston Model City Administration expects to expand its present staff of 32 employees to about 150 within the next few years.

HUD gave its initial approval to Boston's application for the foregoing *Section 105* grants on January 17, 1969, with final HUD approval following late in July 1969.

Cambridge. By unanimous vote on December 16, 1968, the Cambridge City Council approved an application to HUD for federal financial assistance to a "comprehensive city demonstration program" in a 268-acre model city area of about 15,000 inhabitants located in East Cambridge near the Massachusetts Institute of Technology. HUD action on that application is still pending.

The Cambridge model city area embraces a low-income working class neighborhood suffering from blight, inadequate low and modest income housing, deficient health services, overcrowded and antiquated public schools, unemployment, crime and juvenile delinquency problems, air pollution, a shortage of recreational facilities, and deficient municipal services. To correct these conditions, the Cambridge model city application proposes a five-year federal, state, city and private funds. Toward this program, HUD has segregated a supplementary "seed money" grant of \$870,000, to be matched by a \$190,000 city appropriation (the 20% local share), if the foregoing application receives HUD approval.

The above application results from a federally-aided one-year model city planning project approved by HUD in November 1967 under *Section 104*, and carried out under the supervision of the Cambridge City Demonstration Agency (CDA) at a total cost of \$261,813 including a federal grant of \$194,150 plus city matching funds (20%) of \$67,663. The CDA, established by city ordinance in May 1968 (Gen. Ord. c. 39), is unique in the degree of control it affords model city residents over the planning and execution

of the Cambridge model city scheme. The CDA governing board of 24 members includes (a) 16 persons who are residents of the model city area elected for two-year terms by their fellow-residents, and (b) eight appointed "non-resident" or *ex officio* members, including a member of the City Council named by its presiding officer and seven representatives of municipal administrative agencies. The ordinance creating the CDA was proposed to the City Council by a neighborhood committee, backed by a favorable neighborhood referendum vote. That ordinance requires the CDA to submit its "final plans" to referendum in the model city area; a favorable vote thereon is a prerequisite for City Council consideration. The pending application to HUD was endorsed by 94.9% of the model city residents voting in such a referendum early in December 1968.

The CDA serves under the City Manager, pursuant to the Cambridge City Charter, and has a small staff of seven employees, employed with the approval of the City Manager or of his Assistant for Community Development. The CDA utilizes the services of personnel of other city departments, and relies extensively on the use of committees of model city residents.

Fall River. Still in its early organizing stage, the Fall River Model Cities Agency was created as a unit within the Mayor's office by executive order. When the organization of the agency is completed, it will include a Model Cities Board of a size as yet to be determined, half of whose members are to be named by the Mayor while the remaining members will be elected by residents of the model neighborhood. As of March 1969, the agency had retained a director and was in the process of recruiting other employees.

The Fall River Model Cities Agency has been awarded a Section 104 grant by HUD of \$118,000, supplemented by a \$29,500 city contribution, for the development of a plan for a model city area of over 12,600 inhabitants, representing about 13% of the total Fall River population. Within that area, 62% of the housing is substandard, 40% of the families have annual incomes of less than \$3,000, a 10% unemployment rate prevails, and over 50% of the adults have had less than an eighth grade education. The

model city plan which is to be the basis of the city's application to HUD for a Section 105 grant by February 1970, will focus on housing, code enforcement, youth services, educational improvements and neighborhood centers offering health, social and recreational services. Of particular concern to model city planners are problems relating to the immigrant population, and to the attraction of new light industry affording increased employment opportunities to lower-income residents of Fall River. The model city plan is subject to review and approval by the Model Cities Board.

Holyoke. The Holyoke City Demonstration Agency, established by ordinance in the Office of the Mayor, is now engaged in a \$127,000 model city planning project aided by a HUD grant under Section 104 of the Demonstration Cities and Metropolitan Development Act of 1966. Of that sum, \$101,000 consists of federal aid and the balance of \$26,000 represents the city's 20% share of study costs. The agency expects to present to the City Council for its approval, in October 1969, an application to HUD for federal financial assistance to a "comprehensive city demonstration program" in a 235-acre neighborhood in Ward 1 of about 5,000 inhabitants. This application, embodying a proposed first year "action" plan, must be filed with HUD in December 1969 at the latest, to qualify for federal aid.

The portion of Holyoke selected for this model city plan has a 9.2% unemployment rate, and 42% of its adults have less than an eighth grade education. About 28% of the housing in it is substandard, and there are deficiencies in health and other social services available to the area population, 20% of whose families have incomes of less than \$3,000 per annum. Planners of the Holyoke City Demonstration Agency are concentrating on the development of an educational park and of multiservice health, social service and employment centers, as well as on the rehabilitation of housing. The agency, which has a three-man staff, is aided in its work by a Model City Neighborhood Council and a Model City Policy Board.

Lowell. Serving directly under the City Manager, the Lowell Model Cities Agency is preparing plans for a model neighborhood

area known as "The Acre" in the riverfront section of the city. The planning project, one of the original 63 approved by HUD in November 1967, is to be completed in time to permit Lowell to apply for a federal grant for a "comprehensive city demonstration program" by mid-1969. The "first year plan" will emphasize improved educational and health facilities and programs, the expansion of employment opportunities, and improved communications within the model neighborhood area. The planning project authorized in 1967 is funded by \$14,563 of city appropriations and a \$126,650 federal grant, for a total authorization of \$141,213.

Two advisory boards are attached to the Model Cities Agency, namely: (a) the Acre Model Neighborhood Organization, whose 40 members are elected by the model city area residents; and (b) the 26-member Lowell Demonstration Planning Committee, half of whom are elected by the Acre Model Neighborhood Organization and the other half of whom are named by the City Manager. Like the Model Cities Agency itself, these boards were created by executive order of the City Manager.

Lynn. By ordinance, the Lynn Model City Agency exists as a separate city department headed by a director who is appointed by the Mayor. Its small staff of six employees is engaged in the preparation of a model city plan, aided by a \$117,000 HUD grant under Section 104, and \$29,250 in city contributions. The agency contains a Neighborhood Council composed of 22 members elected by residents of the model city area, and a Policy Board consisting of the foregoing council members plus certain other officials. These two bodies, created by ordinance, appear to have advisory powers only in respect to contracts, but retain a "ratification" power with respect to plans which are to be submitted to HUD.

The model city plan, now in preparation, relates to a 291-acre area of the Highlands and Lower East Lynn sections of Lynn with a population of 12,000 (14.8% of the total number of city residents). This area contains 39% of the city's welfare recipients, and 56% of its families are in the low-income category. It is badly rundown, suffers from overcrowded and substandard housing, and has population migration problems, unemployment and the other

afflictions of a depressed region. The model city plan is to be submitted to the City Council in August 1969 and to the HUD in September 1969.

New Bedford. Aided by a HUD Section 104 planning grant of \$128,650 supplemented by a city "cash and in-kind" contribution of \$27,074 and by "in-kind" state assistance valued at \$5,088, New Bedford has completed a \$160,812 model city planning project for the rehabilitation and development of a 565-acre waterfront model city area with a population of 15,850 persons. As proposed to HUD, the program will have a first action year cost of \$4.5 million, including \$3.4 million in federal funds, \$812,069 in state assistance, a city cash and "kind" contribution of \$112,000, and \$100,000 in private outlay. The contemplated "comprehensive city demonstration program" will stress the rehabilitation of existing substandard housing, the construction of additional low and modest income housing units, the improvement of school facilities, and the development of businesses and job-training programs to provide employment opportunities.

Preparation of this plan and of the necessary application to HUD for federal financial assistance to a "comprehensive city demonstration program" has been entrusted to the New Bedford Model Cities Administration which was created by executive order of the Mayor as a special department directly under his office. Prior to its submission to the City Council, the application for the Section 105 grant was reviewed and approved by a 12-member Model Cities Planning Council elected by residents of the model city area.

To perform its work, the New Bedford Model Cities Administration employs a staff of 12 full-time and four part-time personnel. The policies and expenditures of the agency are controlled by the above Planning Council.

Springfield. Created by ordinance as a department serving directly under the Mayor, the Springfield Model Cities Agency, with a staff of 24 employees, is putting the finishing touches on a proposed application for federal financial assistance to a "comprehensive city demonstration program" which is to be submitted to the City Council for its approval and transmission to HUD

later this year. This \$160,162 planning effort was financed by a \$128,000 Section 104 grant from HUD, and by a city matching appropriation of \$32,162. Before presentation to the City Council, the application (including its related plan) must have the endorsement of the 15-member Model City Policy Board elected by residents of the model city area.

The Hill-Bay-McKnight model city area consists of a 761-acre tract in the oldest part of Springfield, adjacent to the Springfield College campus. Its population of nearly 19,000 persons includes more than 50% of Springfield's Negro population, among them many displacees from urban renewal areas elsewhere. The area contains a large amount of substandard housing, has a high unemployment rate, and is beset with a wide range of public health problems reflecting inadequate health care facilities and services. To meet this challenge, the contemplated "comprehensive city demonstration program" will emphasize (1) the elimination of badly deteriorated housing and its replacement by expanded new housing for people of all income levels, (2) rehabilitation of existing reclaimable housing, (3) a rent supplement program, (4) strict code enforcement, (5) stimulation of private investment in new housing and business, (6) job-training programs, (7) improved streets and utilities, (8) construction of several service centers, (9) improved health facilities and services, (10) improved police-community relations, (11) youth programs, and (12) improvement and expansion of recreational facilities and programs. The Springfield Model City Agency hopes for a \$1,195,000 "seed money" supplemental grant matched by a 20% city contribution for the first-year implementation of this "comprehensive city demonstration program" upon approval of the city application by HUD.

Worcester. Rather than establish a model city agency as part of its municipal government structure, the "manager" City of Worcester has resorted instead to the use of a non-profit corporation to carry out the planning and execution of its model city program. That corporation — the Worcester Cooperation Council, Inc. (WCCI) — provides this service in accordance with the requirements of a contract with the City of Worcester, whose interests are protected by the City Manager and City Council. The

36-member board of directors of WCCI includes the City Manager, eight appointees of the City Manager, 12 representatives of various agencies and organizations, and 15 members elected by model city area residents. WCCI also has a 32-member Resident Assembly Executive Committee elected by model city area residents, which has a power of approval over all model city proposals and plans before they are submitted to the WCCI directors. WCCI employs a nine-member "model cities staff," and eleven other persons, all of whom are exempt from the Civil Service Law because they are employees of a private corporation.

WCCI is presently engaged in a Section 104 planning study from which will emerge by May or June of 1969 a proposed application to HUD for federal financial assistance to a "comprehensive city demonstration program" affecting the 550-acre Piedmont-University Park area of Worcester with a population of approximately 20,000. That area has the usual blighted district problems of poverty, unemployment, substandard housing, and deficient school, health, recreational and other city services. The WCCI hopes ultimately for federal "seed money" grants of between \$1.8 million and \$3 million for the plan which will be submitted to HUD.

CHAPTER V.

PROBLEMS ENCOUNTERED IN MASSACHUSETTS MODEL CITIES PROGRAM

General Background

Any newly-established innovative program which must pioneer solutions in so dynamic and complex a field as that of urban rehabilitation is bound to encounter a host of difficulties at the outset. The social crisis in the cities does not admit of protracted delays, interminable negotiations, log-rolling, or timidity or rashness of leadership in meeting its myriad challenges. Accordingly, state and local officials involved in the Model Cities Program have had to proceed on the basis of what they are able to learn through practical experience, and without the benefit of past precedents.

Nationally, the development of the Model Cities Program, together with many other federally-aided urban efforts, has been limited by budgetary constraints attributed to the Vietnam War and to other competing demands on federal, state and local revenues. The nationwide popular reaction against disorders in the cities and on the college campuses has not created an atmosphere conducive to federal and state legislation expanding the scope and funding of programs for the poor. Further, both the national and state governments have been slow to reorder national and state priorities in the urban crisis.

Writing of these matters recently in the magazine *Nation's Cities*, Jay Janis, Executive Assistant to the Secretary of Housing and Urban Development, has cited these four weaknesses now afflicting federal urban programs, including model cities:

(1) Even if unlimited funds were available, the fact remains that we lack the know-how to use them properly and wisely.

(2) The federal government has not developed effective means to coordinate its present urban programs, nor does it even understand completely the effects of its current activities in the city. Urban program coordination is still an elusive goal, and until we learn how to focus the impact of federal programs, our monies will not be effectively utilized.

(3) Not enough trained personnel are available at the local level to carry out the complex programming involved in rebuilding urban America. Neither is it sufficient at the federal level, but this is less important because local governments, under our system, have the responsibility of carrying out urban programs. . . .

(4) We lack technology to deal with the complexities of rebuilding America's cities. Perhaps space-age technology has spin-off potential, but so far, attempts to link the two fields have been unimpressive. The systems approach to urban development is still a textbook concept that has not been applied to a real-life urban situation. . . .¹

Against this general background, public officials and others interested in the Model Cities Program have called attention to at least nine "problem areas" of that program in Massachusetts, in respect to which they believe state administrative and legislative action may prove helpful. These nine problem areas, discussed

¹ Janis, Jay, "Model Cities — Their Role is Vital in Developing An Overall Urban Strategy", *Nation's Cities*, Vol. 6, No. 9, September 1968, p. 10. Publication of National League of Cities.

in this chapter, relate to (1) shortages of state personnel, (2) Civil Service Law requirements, (3) the financing of model cities, (4) the authority of model cities agencies, (5) resident participation, (6) practices under the contract laws, (7) public transportation, (8) public health facilities and services, and (9) the public schools.

Shortages of State Personnel

Personnel problems encountered to date in connection with the areas of (a) personnel shortages in the State Department of Community Affairs, (b) Civil Service Law requirements affecting the hiring of technical personnel and the opportunities open to the urban poor for employment in the public service, and (c) personnel training for the public service. The latter two problem areas are not peculiar to agencies involved in the Model Cities Program, but are encountered also elsewhere in the state and local government service.

Role of State Department of Community Affairs

Knowledgeable authorities have indicated their concern over the adverse impact, upon the state's urban efforts, of shortages of professional personnel in the new State Department of Community Affairs which began operations on November 1, 1968.

The statute creating that Department vests in it the primary state responsibilities relative to housing, urban renewal and rehabilitation (including model cities), economic opportunity, programs for senior citizens, and a wide range of technical services to local governments (Acts of 1968, c. 761; G.L. c. 23B). Among the latter technical services are the following: (a) acting as a clearinghouse for the dissemination of information on local government problems; (b) assistance in intergovernmental relations, including federal and state aid matters, metropolitan and regional government, and inter-community cooperative arrangements; (c) assistance to localities in preparing and reviewing their ordinances, by-laws and charters, including aid to local charter commissions; and (d) assistance in the training of local government professional personnel (G.L. c. 23B, s. 3). In addition, the Department must also prepare and keep up-dated model housing, building and zoning codes for local adoption.

Some of these responsibilities — such as that relating to model cities — had been assigned previously to the various state administrative units which were replaced by the Department of Community Affairs,¹ in many instances on an expanded basis. Others of the above responsibilities represent wholly new programs and services not previously offered by any Massachusetts state agency. To carry out these tasks, the Department is organized by statute in three divisions, each of which is supervised by a deputy commissioner appointed by the Commissioner of Community Affairs with gubernatorial approval, *viz*: a Division of Community Development, a Division of Community Services, and a Division of Social and Economic Opportunity (G.L. c. 23B, s. 2).

Present Departmental Staff Assigned to Model Cities Program

To staff the Department of Community Affairs in its initial stages, the 1968 General Court transferred to it 162 state employees who had been serving in agencies superseded by that Department, including 67 employees in permanent positions and 95 employees in temporary positions.² In this group is the *sole* staff specialist on model cities matters, who was inherited from the former Division of Urban Renewal in the Department of Commerce and Development.

That staff specialist, now attached to the Division of Community Services of the Department of Community Affairs, is responsible for performing the basic administrative tasks of the Department in connection with the Model Cities Program. These tasks include technical advice and assistance to local governments

¹ The following agencies were abolished by Acts of 1968, c. 761, and their duties reassigned to the State Department of Community Affairs: The Division of Urban Renewal, the Division of Housing, the Bureau of Relocation, and the Bureau of Planning Assistance, all in the State Department of Commerce and Development; the Commission on Aging; and the Commonwealth Service Corps Commission.

² This total of 162 positions includes transfers as follows: (a) *from the State Department of Commerce and Development*, 67 permanent positions, 14 federally-aided temporary positions, and 15 other temporary positions (total of 96); (b) *from the Commonwealth Service Corps*, 23 federally-aided temporary positions and 28 other temporary positions (total of 51); and (c) *from the Commission on Aging*, 2 federally-aided temporary positions and 13 other temporary positions (total of 15). (Acts of 1968, c. 761, ss. 13, 14 and 18).

and their model city agencies in respect to (a) the preparation of applications for federal financial assistance, (b) the preparation of model city plans, (c) developing the full range of federal and state aid possibilities which a community can capitalize upon in respect to its model city, and (d) inter-program coordination.

In performing her duties in respect to model cities, this employee has been able to call on other technical personnel of the Department of Community Affairs for assistance on technical problems within their fields of special competence. However, as the number of communities with model city agencies has expanded from four to nine, with still more possible in the future, and as these agencies move from the planning to the execution stages of their "comprehensive city demonstration programs," their demands upon the time of this employee have mounted. In addition, while formal state approval of local applications for federal aid in the planning and carrying-out of model city projects is not yet required by state law, HUD does require the state agency responsible for urban development and renewal to "comment" upon those applications. Thus, by indirection, a form of state review is in effect which is expected to command more of the time of the Department staff.

Personnel Desired by Department for Model Cities Program

Officials of the State Department of Community Affairs note that the act creating that department stresses state technical advice and assistance to communities in regard to model cities and other important areas of local activity. They argue that if this statutory mandate is to be implemented, the Department must retain a number of qualified, properly-trained professional staff members sufficient to provide prompt help to these localities. Department representatives consider adequate state "back-up" services particularly important to communities unable to recruit the range of professionals needed, either because of financial reasons or because of the limited number of these professionals available generally. These considerations are particularly important to small and medium-sized communities which are governed in large degree by part-time lay officials with small full-time municipal staffs. Even authorities of large communities complain, as did

the Springfield Model Cities Agency, that "more . . . (state) . . . technical assistance . . . is badly needed."¹

Accordingly, officials of the Department of Community Affairs state that the full-time services of at least four — and possibly six — additional employees within the near future is essential. Thus Massachusetts (nine model cities) would have a state model city staff comparable to that of New Jersey (13 model cities) whose Department of Community Affairs employed in 1968 five full-time model cities specialists, supplemented by 12 other employees of that agency who divide their time between model cities and other tasks.

Hence, the Department has requested from the General Court appropriations for the ensuing 1970 fiscal year sufficient to provide for additional staff desired to meet model cities and other operating needs of the Department.

Civil Service Law Requirements

Criticism of Civil Service and Related Requirements

State and local officials involved in the Model Cities Program and interested "civil rights" organizations have indicated dissatisfaction with certain aspects of the Massachusetts Civil Service Law (G.L. c. 31) and related statutes. In their view the personnel practices of the state and local governments hamper the prompt recruiting of needed technical personnel, and militate against employment opportunities for the urban poor in the public service.

At the root of these criticisms there lies a basic public policy dilemma: a conflict between (a) the demands of civil service reformers, taxpayer groups, public employee unions and professional organizations for a "tougher," more professional state and local government service based on merit and on higher entrance requirements and (b) the demands of groups representing — or claiming to represent — the urban poor generally or ethnic minorities in particular for "a greater piece of the action" in the public service, especially in their own communities. The natural inclination of the governmental bureaucracy to protect and improve

¹ Response to questionnaire of Legislative Research Bureau by Springfield Model Cities Agency, December 19, 1968.

its position and to "professionalize" its members in order to qualify them for higher pay and more prestigious working status produces a classic "confrontation" between the bureaucracy, as a ruling institution, or "establishment", and the disadvantaged who are ruled. This development is part of a larger phenomenon in the modern technological world, — the evolution of the industrial-technological-administrative "managerial class" which does not necessarily own that which it governs or manages, but which governs and manages in the name of another "higher" authority (the "state," the "people," the "party" or the "corporation"). The comparison with the conflict in early modern Europe between the feudal nobility on the one hand, and the urban populations and peasantry on the other is not entirely inapposite.

Exemption of Local Government Positions

Present Law. In testimony before a committee of the Boston City Council on April 24, 1968, Mr. Martin Gopen of the Urban League of Greater Boston, Inc., urged a two-year moratorium on all Civil Service Laws to allow the hiring of Black city workers. Subsequently, acting upon a proposal by six legislators from Lowell endorsed by the Mayor and City Council of that community,¹ the General Court enacted legislation providing such a moratorium until August 1, 1970 for not more than 30 positions on the staff of each model city agency as follows:

Section nine A of chapter thirty . . . (relative to tenure after three years service for veterans employed by the state in appointive non-civil service positions) . . . and chapter thirty-one of the General Laws . . . (the Civil Service Law) . . . shall not apply to officers and employees appointed or employed on, or in connection with, a comprehensive city demonstration program, established under the "Demonstration Cities and Metropolitan Development Act of 1966"; provided, however, that the total number of officers and employees appointed and employed in any city under the provisions of said act who shall be exempt from the provisions of said section nine A and said chapter thirty-one shall not exceed thirty. (Acts of 1968, c. 603).

Proposals for Expanded Exemption. In 1969 two proposals were presented to the General Court which sought more extended ex-

¹ Petition of Representatives John Janas, Cornelius F. Kiernan, Raymond F. Rourke, Paul J. Sheehy and John J. Desmond, all of Lowell, and of Senator John E. Harrington of Middlesex (House, No. 4522 of 1968).

emptions of local code enforcement and model cities agency positions from the Civil Service Law.

The first measure, introduced by Representative Edward M. Flanagan of Malden on behalf of the Massachusetts Mayors' Association, proposed complete exemption of municipal personnel engaged in the federally-aided Concentrated Code Enforcement Program from both the Civil Service Law and the Veterans' Tenure Law (House, No. 724).

The second bill, filed by Rep. Franklin Holgate of Dorchester on petition of himself, Rep. Michael E. Haynes of Roxbury and Mayor Kevin H. White of Boston, proposed that the two foregoing statutes not apply to personnel employed —

. . . on, or in connection with, such municipal programs or projects as the director of civil service shall determine to be experimental or demonstrative in character . . . (House, No. 2357).

Both proposals were considered by the Joint Committee on Public Service which subsequently recommended an expansion of the exemption of model cities offices and positions from the Civil Service Law, but not the total exemption of all such offices and positions (House, No. 5231). Under the committee measure, certain officers and persons employed by cities and towns in connection with the federally-aided Model Cities Program and Concentrated Code Enforcement Program could be exempted from the Civil Service Law by the Director of Civil Service, with Civil Service Commission approval, on the following basis:

The administrator of such a program shall file with the director of civil service, prior to employment thereon, a list of the titles of all offices and positions, with a request for exemption from . . . (G.L. c. 31) . . . if desired, together with a statement of duties and a statement of the conditions existing which make impractical or difficult the application of the provisions of the civil service law, such as the necessity for the incumbent residing within a limited and specified geographical area or being in such circumstances as will entitle him to participate in the program, which circumstances would not exist in the case of those persons who might apply for such offices or positions if the offices or positions were subject to the provisions of said . . . (G.L. c. 31) . . . The director may grant exemptions for those positions which he, with the approval of a majority of the Civil Service Commission, believes necessary for the effective operation of the Model Cities Program and which are not in violation of any ordinance, by-law, order or collective bargaining agreement. No exemption approved hereunder

shall continue if, in the opinion of the director of civil service, there is any violation of . . . (G.L. c. 31) . . . or of this act and in such cases, . . . (G.L. c. 31, s. 38) . . . shall apply.

However, the foregoing exemption of model cities and code enforcement personnel could *not* be extended to these categories of personnel: (1) officers and employees "who may displace civil service employees in any existing positions", (2) officers and employees appointed to fill budgeted positions in accordance with the Civil Service Law for which such personnel are actively sought in "the regularly established" municipal departments through civil service eligible lists, (3) police officers, (4) fire fighters, (5) code enforcement inspectors, (6) plumbing inspectors, (7) electricians, (8) statutory engineers, (9) steam firemen, and (10) "other positions requiring licenses or certificates, except registered physicians".

Any exemptions granted could not conflict with local ordinances which were enacted as a condition of local participation in the Model Cities Program. And all these exemptions would expire with the proposed statute on July 15, 1974.

Finally, the proposed measure would require the administrators of local model cities agencies and concentrated code enforcement programs to assist the Director of Civil Service in conducting recruitment programs for the civil service.

Views of Proponents. Several model cities administrators interviewed by the Legislative Research Bureau urged that the number of model city agency staff positions exempted from the Civil Service Law be expanded. In this connection, the Director of the New Bedford Model Cities Administration reported that Black people do not participate extensively enough in Civil Service examinations, due to the poor educational background of most Negro ghetto inhabitants and their lack of adequate information on Civil Service possibilities, requirements and procedures. Thus, it is contended, the prompt employment of more significant numbers of ghetto residents on the model city agency staff, once the execution stage of the model city project is reached, will be facilitated. In addition, advocates of an expanded exemption emphasize the temporary nature of the Model Cities Program, and the need for the local model cities agencies to move

forward quickly in order to meet deadlines in submitting applications, reports and plans to HUD under the Demonstration Cities and Metropolitan Development Act.

Finally, some model cities administrators favor extension of this civil service exemption to positions in other municipal departments which have been created in connection with model city activities of those departments. On this score, one such administrator complained that when his city sought to hire an additional police officer to handle its police-community relations program, the Civil Service competitive examining procedure which resulted in the hiring of an out-of-town resident was invoked.

Views of Opponents. In opposition to these views, the State Division of Civil Service and certain civil service reform advocates sharply question both the wisdom of and the necessity for the 1968 statute (c. 603) exempting 30 model cities positions from civil service coverage. They oppose any extension of that exemption, either as to positions in model cities agencies or other municipal departments.

Civil Service authorities regard the exemption as unwise, in that it sacrifices quality in civil service appointments for the "dubious advantages" of "participation politics" and of old-fashioned patronage politics masquerading as concern for the poor. It is argued that the problems of urban blight and rehabilitation are so complex as to require more competent, more highly-skilled municipal personnel than before. Hence, unless the exemptions from civil service are confined to labor service categories and to the lowest order of clerical positions, placing underskilled people in the higher positions will serve only to make municipal agency activities less effective and more costly. Persons supporting this viewpoint question whether the electorate, already heavily burdened with local real estate taxation and with high state and federal levies, will support the Model Cities Program or any other program which is not "cost conscious."

Furthermore, opponents assert that the exemption argument overlooks the proven possibilities of Civil Service Law provisions permitting provisional appointments, and the willingness of the State Division of Civil Service to interpret these provisions liberally.

By statute, appointing authorities may — with the approval of the State Director of Civil Service — make provisional appointments to : (a) temporary positions other than state positions, for six months; (b) permanent positions in the state and local service, for one year; and (c) temporary positions in the state service, for such period as the State Director of Personnel and Standardization determines. The State Director of Civil Service may extend provisional appointments to temporary positions up to a maximum of 18 months in the case of such positions not in the state service, and to no longer than 24 months in the instance of such positions in the state service. These extensions of provisional appointments must be consistent with any applicable federal aid standards, may not be made to positions for which eligible lists exists, and must end 30 days following the establishment of eligible lists therefor by means of Civil Service examinations. Such lists must be announced prior to the expiration of the lives of these provisional appointments (G.L. c. 31, s. 15).

Under that statutory authority, some state and municipal agencies have obtained the sympathetic cooperation of the State Division of Civil Service in making provisional appointments of trainable but educationally deprived poor persons to newly-created positions, and to vacant old positions, for which eligible lists have not been established. The State Director of Civil Service has shown a willingness to extend these provisional appointments for as long a period as the state law allows. In the instance of federally-subsidized positions, such extensions may not be made for more than six months without federal approval. A formal program of this character, aided by federal funds, is in effect in the State Division of Employment Security. The Division of Civil Service has approved the provisional appointment of poor persons to some positions in state institutions. And, with the Division's approval, such appointments have been made by agencies of the cities of Cambridge and Quincy, and of the Town of Brookline. These possibilities reportedly are being explored in Boston, Springfield and other large communities with "ghetto" problems.

To acquaint the urban poor with civil service employment opportunities and to help them in applying for employment, the Division of Civil Service has offered to send representatives to

the "neighborhood city halls" in Boston. This offer is now under discussion with the city government. By arrangement, the Division plans also to send staff members to Fall River, New Bedford, Springfield and Worcester in 1969 to assist in programs for the recruitment of civil service employees. Job opportunities for the poor will be stressed, according to Division authorities.

Unequal Public Employment Opportunities for the Poor

Practical Limitations on Employment of Urban Poor. In general, there are practical limitations on the extent to which the urban poor can be employed in civil service positions, quite apart from state and federal restrictions on the term of provisional appointments. The lack of adequate reading and writing skills on the part of many of the urban poor, especially those who migrated to Massachusetts without coming up through its school system, is a grave handicap; this disability is magnified if the poor person originated overseas and cannot speak or read English fluently. While such a handicap is not too serious in regard to labor service positions, it is a major obstacle to appointment to any clerical or professional post and a barrier to trainability. In addition, because of their social and educational deprivation, many poor persons have experienced difficulty in meeting the responsibilities of employment, which has made both public and private employers hesitant to hire them in the absence of satisfactory evidence of personal discipline.

Critics of the proposed extension of the exemption of model city positions from civil service coverage argue that such extension is premature even in terms of the 1968 statute. They note that most model city agencies have not hired as yet their full quotas of "exempted" employees. In addition, these critics assert that the 1968 law (c. 603) exempting up to 30 positions in each city does not specifically confine those exemptions to model city agencies, but refers broadly to officers and employees "employed on, or in connection with, a comprehensive city demonstration program." In their view, this language includes all city departments.

Experience and Educational Qualifications Required. Some model cities officials and "civil rights" groups allege that experience

and educational qualifications established for appointment to state and local government positions are set at too high a level in terms of the work actually to be done. This, it is contended prevents the employment in these positions of urban poor people who could do the work, but who are educationally deprived. Critics assert these practices result in the appointment of persons residing elsewhere in the city to state and local agency positions in blighted urban areas. Negro "ghetto" populations are particularly resentful of practices which award "ghetto area" jobs to outsiders from less distressed regions.

In the case of positions subject to the Civil Service Law, the State Director of Civil Service approves or disapproves the "specifications and qualifications" of those positions as submitted by appointing authorities for classification purposes. He may establish additional "supplementary" specifications and require physical examinations of applicants if he deems this necessary; and he may establish educational requirements or substitutes for educational requirements when this appears to him advisable and proper. Where any requirements for appointment are specified by statute, they must be included in the basic requirements of the Civil Service positions affected. (G.L. c. 31, ss. 2A, 6A-6B, 13A and 15).

As a matter of customary procedure, the Division of Civil Service reviews the specifications and qualifications of Civil Service positions every time the need arises to conduct examinations. If these job specifications and qualifications appear excessive, they are modified. While emphasizing their sympathetic interest in developing such job opportunities for the poor, officials of the Division of Civil Service also stress its fundamental obligation to the public to assure that civil service posts are awarded to persons possessing the technical and other skills necessary to the proper discharge of the duties of these positions. Hence, it is argued, the civil service system cannot emulate a "make-work" Depression-time agency.

The specifications and qualifications of municipal positions not subject to the Civil Service Law are established pursuant to departmental regulations or to local personnel codes (G.L. c. 41, ss. 108-108A, 108C). Local practices vary on this score with re-

spect to the review of educational, experience, and other qualifications for appointment. Such review occurs fairly frequently in some communities while other localities may leave their job requirements unaltered for years. Accordingly, some authorities advocate a state effort to persuade local appointing agencies to recruit in the model neighborhoods and other depressed areas and to readjust their position specifications and qualifications at reasonably frequent intervals so as to facilitate the employment of the trainable poor.

Employment Training Programs

Compensatory Training Needs. Spokesmen for urban poor groups complain that the civil service system is biased against the underprivileged applicant in that it does not provide "adequate" pre-service and in-service training programs to enable him to meet entrance standards prior to appointment or to improve his performance after such appointment. Noting that much recent discussion of civil service reform has centered on the recruitment of professionally-trained public employees, spokesmen for the urban poor ask that the civil service system give a "break" to the poor as well as to college graduates. Proponents of such compensatory efforts stress the formidable difficulties which confront the educationally-deprived poor person who seeks civil service employment under existing conditions.

Present Employment Training Programs. The General Court has made statutory provision for "pre-service" training of certain applicants for public employment, and for the in-service training of state and local government employees. All of these training authorizations, outlined below, are of very modest dimensions; and the necessary funds for their implementation have not been provided in every instance. Some of them have significance for model city employment.

The new State Department of Community Affairs is specifically authorized to undertake programs for assisting Massachusetts residents in choosing and preparing themselves for careers in the public service (G.L. c. 6, s. 121; c. 23B, s. 3; c. 40, s. 5, Clause 61). The Department superintends federally-subsidized programs

for training of community action agency officials and personnel and for the training of members of model neighborhood boards.

The Division of Civil Service provides no training programs, but influences the training programs of state and local agencies through (a) its control over job specifications, qualifications, and standards and (b) its power to institute recruitment programs for the civil service (G.L. c. 31, s. 2A). The Director of Civil Service also cooperates with the State Director of Personnel and Standardization who must develop in-service training programs for state employees, in consultation with state appointing authorities (G.L. c. 7, s. 28A). There are a number of private civil service schools which provide courses for persons interested in taking civil service examinations. However, enrollment in those schools is open only to persons able to pay the required tuition. Such schools are of little help to model neighborhood residents and other poor persons, unless they are able to qualify for tuition assistance under federal employment programs.

The Division of Civil Service is cooperating with the State Division of Employment Security (DES) which is engaged jointly with the Bureau of Vocational Education of the State Department of Education in a job training program aided by federal grants under the Manpower Development and Training Act of 1962.¹ That act provides for occupational training for under-employed and unemployed persons who cannot obtain appropriate full-time employment without such training. MDTA training programs are conducted either in vocational schools, or on the job, or both. Trainees are paid training allowances for up to 104 weeks, plus subsistence and transportation. On-the-job trainees are paid by their employers. The federal government has made available grants of \$5 million to the DES and \$4 million to the State Department of Education for manpower training activities in fiscal 1969.

The DES itself is providing, on a very modest basis, a training course for clerical and keypunch candidates. The Division is endeavoring to interest these individuals in employment in the state and local government service, as well as in private industry. The DES has a training program for custodial help, which has pro-

¹ 42 U.S.C. 2571-74, 2582-83, 2601.

vided applicants for employment in local school systems. In addition, the DES, jointly with the State Department of Public Welfare, has for several years been engaged in a work incentive training project for employable welfare recipients, in an effort to make these individuals and their families self-supporting. Furthermore, the DES is cooperating with Action for Boston Community Development Inc. (ABCD) in a concentrated community employment program to develop and utilize local manpower resources to the fullest extent possible; this activity is to be coordinated with the Model City Program when — and if — HUD approves Boston's application for federal financial assistance to a comprehensive demonstration city program under the Demonstration Cities and Metropolitan Development Act of 1966.

In connection with all of these activities, the DES has a limited program under which it hires a modest number of depressed area residents (mostly Negroes) as "pre-professional" employees, who lack normal qualifications required for entrance into the civil service, but who are deemed trainable. The Division of Civil Service has approved the provisional employment of these trainees in classified positions specially established for the purpose.

Cities and towns have general statutory authority to establish personnel programs, including in-service training courses (G.L. c. 40, s. 5; c. 41, ss. 108A and 108C). Specific statutory authorization also exists for the training of specialized local government personnel by five state agencies.¹

Residence Requirements for Public Employment

To increase employment opportunities in the public service for the urban poor, some authorities suggest that existing statutory restrictions upon the residence of public employees be liberalized (a) to permit residents of blighted areas to obtain employment in nearby municipalities and (b) to allow low-income em-

¹ (1) Department of Community Affairs, "professional employees" (G.L. c. 23B, s. 3); (2) The Department of Public Safety, *local police* (G.L. c. 40, s. 5, clause 34); (3) The Municipal Police Training Council, *local police* (G.L. c. 6, ss. 117-119; c. 41, s. 96B); (4) The Bureau of Personnel in the Executive Office for Administration and Finance, *engineers* (G.L. c. 7, s. 2A; c. 40, s. 5, clause 57); and (5) The Division of Water Pollution Control, *local water pollution personnel* (G.L. c. 21, s. 38).

ployees of communities with high living costs and real estate tax rates to live in less expensive nearby areas.

The Civil Service Law and Rules contain three major requirements as to residence or related aspects of residence.

First, the Director of Civil Service is authorized to establish list of persons eligible for appointment to local government positions, which are to be filled "on the basis of domicile in the respective cities and towns . . . (or) . . . in districts in which the cities and towns are respectively situated" (G.L. c. 31, s. 2A, para. g). With some exceptions, the Civil Service Law requires that preference be given to Massachusetts citizens in appointments to positions in the public service (G.L. c. 31, s. 19). In implementation of these statutory requirements, Civil Service Rule 4 ordains that—

An applicant for appointment to any office or position to which these rules apply must be a citizen of the United States, who has been domiciled in the Commonwealth for one year next preceding the date of filing his application; and if the application is for appointment to an office or position in the service of a city . . . (or town) . . . the applicant must also have domiciled in the city . . . (or town) . . . in which he seeks service for six months next preceding the date of filing his application; but in any examination the Director . . . (of Civil Service) . . . may waive the restriction of domicile when in his opinion the needs of the public service may so require; provided, however, that if domicile is waived, it must be waived for all applicants and the waiver must be stated in the notice of the examination.

Secondly, the Civil Service Law provides that police applicants who are residents of the employing municipality are to have preference over non-resident applicants for employment in its police department. Upon appointment, a non-resident police officer must within six months establish residence within the appointing community or not more than ten miles outside its borders (G.L. c. 31, s. 48A). If a community's police force is not subject to civil service, policemen employed by the locality for at least five years may live not more than ten miles out-of-town if the employing community votes to accept the relevant statute (G.L. c. 41, s. 99A).

Thirdly, if the relevant Civil Service Law provision is accepted by a community, its fire fighting appointing authority may request that the Division of Civil Service hold examinations for

appointment to the local fire department on an areawide or statewide basis (G.L. c. 31, s. 19). However, preference must be given to resident applicants if they have lived in the employing community for at least one year (G.L. c. 31, s. 19C). Upon acceptance of the appropriate statute, a community may permit its firefighters having at least five years of service to live no more than ten miles out-of-town (G.L. c. 48, s. 58E). Otherwise, fire enginemen in towns must live "near" the place where their assigned apparatus is parked (G.L. c. 48, s. 34).

Unless otherwise authorized as above, municipal and district employees are controlled by an 1822 Supreme Judicial Court opinion holding that one must be an inhabitant in a community in order to be employed by it.¹ Subsequent to that decision, the General Court enacted the statute which now stipulates that—

. . . Unless otherwise provided by general or special law, ordinance or by-law, a person need not, in order to accept appointment in a town or district, be a resident of such town or district; provided, however, that if an appointed town or district officer is required to become a resident within a period of time specified at the time of his appointment by the board or officer making the appointment but fails to do so within the time specified, or if an elected or appointed town or district officer removes from the town or district in which he holds office, he shall be deemed to have vacated his office (G.L. c. 41, s. 109).

Finally, another statute requires that communities may employ residents only as cadet engineers in their municipal light and gas plants (G.L. c. 164, s. 69D).

The Director of Civil Service has waived Civil Service Rule 4 many times, to permit communities to hire non-residents in their civil service positions. Since the majority of city government appointive positions are subject to the Civil Service Law, means exist whereby cities may recruit employees from depressed areas nearby. However, towns generally do not have as broad discretion on this score because only a minority of their positions are under Civil Service; hence, most town government jobs are subject to the judicial and statutory residence restrictions outlined above and are not available to residents of nearby out-of-town model neighborhoods.

¹ *Inhabitants of Barre vs. Inhabitants of Greenwich*, 18 Mass. 129 (1822).

*Financing of Model Cities**State Aid to Model Cities in Massachusetts*

As previously indicated, Massachusetts has authorized its State Department of Community Affairs to assist cities and towns in obtaining federal aid and to provide them with technical advice and assistance in respect to model cities and other urban rehabilitation programs; the Department is also empowered to coordinate state-local urban efforts "through advice and counsel" (G.L. c. 23 B, s. 3). However, the Commonwealth lacks a definitive State Model Cities Program with state financial assistance provisions. Currently, local model cities officials must assemble state grants on a piecemeal basis from various state agencies with respect to specific elements of the overall development of the model city, and then try to coordinate these individual grants for maximum effectiveness.

In their discussions with Research Bureau representatives, officials of the Department and of the model cities agencies complained that "inadequate state funding" of the 20% "local share" of Section 104 and Section 105 model cities costs is a major impediment to the Model Cities Program in Massachusetts. Without a greater state financial effort, these authorities argue that it will be difficult to "sell" the model cities approach to communities, particularly the old "core" cities. Accordingly, these officials urge that the Commonwealth move beyond the "advice" stage to embrace a "priority commitment" to its model cities through an underwriting of the 20% local share.

In 1968 and 1969 six proposals for specific state subsidization of the local share of model cities costs were introduced into the General Court. Among them were—

(a) Three identical bills providing for a state subsidy of 80% of a cities "cost of participating" in the Model Cities Program, filed by Representatives John J. Desmond of Lowell (House, Nos. 2635 of 1968 and 3174 of 1969) and John Janas of Lowell (House, No. 2894 of 1968). The proposed state aid would not be available to towns under these measures.

(b) One bill, proposed by Senator James A. Kelly of Worcester and Boston Redevelopment Authority Administrator Hale Champion, which provided for state assumption of 50% of the "local share" of costs under federally-aided programs *re* (1) model cities, (2) the demoli-

tion of unsafe structures, (3) concentrated code enforcement, (4) open space land, (5) urban beautification, (6) water supply systems, (7) sewage disposal systems, and (8) neighborhood facilities (Senate, No. 571 of 1969).

(c) A proposal by Representative John Janas of Lowell for state payment of 100% of the (20%) local share of model city planning expenses (House, No. 3088 of 1968).

(d) A measure introduced by Senator Denis L. McKenna of Middlesex which called for state assumption of 50% of those model city planning costs (Senate, No. 1151 of 1969).

All six of these legislative proposals failed of passage because their proponents were unable to produce satisfactory estimates of their probable annual cost to the state treasury. This difficulty in projecting costs to the satisfaction of the Legislature simply reflected conditions at the national level, where neither Congress nor the Federal Administration had been able to calculate the ultimate scope of model cities costs. At hearings held on January 29, 1969 before the Joint Committee on Federal Financial Assistance relative to the Kelly-Champion bill (Senate, No. 571), testimony was offered to the effect that the state subsidy to Boston alone under that measure would exceed \$750,000 annually. Concern was also expressed by opponents that the state financial commitment under these aid proposals might "escalate" if local and federal authorities were to enlarge existing model cities or authorize new ones. Caught in the crossfire of soaring welfare and other expenditures, public criticisms over the handling of funds by "poverty" agencies, and taxpayer ire over proposed increases in state levies, the General Court has indicated great reluctance to undertake new state aid ventures in 1969-70, however meritorious.

Restrictions on Municipal Borrowing Powers

General Legal Background. In Massachusetts, as in most other states, the borrowing powers of local governments are circumscribed by constitutional and statutory provisions which specify the purposes for which localities may borrow money, establish the maximum dates of maturity of local government bonds, control the interest rates payable, and limit the total amount of local indebtedness for these specific purposes or for all purposes. In

some instances, these statutes permit borrowing only if the locality finances a given percentage of project costs with non-loan local funds. These state requirements are intended to protect the credit of the local governments, to preserve the financial stability of these governments, and, in some instances, to limit the extent of local government involvement in particular functions or activities for reasons of state policy.

The Massachusetts General Laws empower cities and towns to incur debt for at least 60 different specific purposes, including 27 purposes for which the localities may borrow only within the statutory debt limit and 33 instances in which they may borrow outside that limit.¹ The General Laws prescribe a basic debt limit for cities of $2\frac{1}{2}\%$ of their property valuation as announced in the most recent biennial report of equalized local valuations published by the State Tax Commission; with the approval of the State Emergency Finance Board, a city may increase its debt limit to 5% of that local property valuation (G.L. c. 44, ss. 1 and 10). Towns, by contrast, have a basic debt limit of 5% of their valuation as equalized by the State Tax Commission, and may raise their borrowing to 10% of that valuation with Emergency Finance Board approval (G.L. c. 44, ss. 1 and 10). Massachusetts cities and towns possess no "home rule" powers in respect to their borrowing, and must confine themselves to borrowing authorized (a) by these general statutes and (b) by special laws passed by the Legislature for individual communities.²

The Massachusetts statutes include no specific authorization for municipal borrowing in respect to model cities as such. Hence, to finance the capital projects composing a model cities undertaking, a community must resort to multiple bond issues reflecting both (a) the different "purpose" categories within which the desired borrowing may occur and (b) the sums needed and the times at which they are needed. The borrowing within each of these categories must observe the borrowing limit, maturity date restriction and other requirements of that category.

¹ G.L. c. 44, ss. 7-8; c. 90, s. 51K; c. 92, s. 76E; c. 121, s. 26CC; c. 161, s. 152; c. 164, s. 40. Also, Acts of 1948, c. 645, s. 8.

² Mass. Const., Amend. Art., II, s. 7, as appearing in Amend. Art. LXXXIX.

Most of the authority required by cities and towns to borrow funds on behalf of their model cities programs appears to be contained in the broad provisions of the housing and urban renewal statutes. With the consent of the State Emergency Finance Board, such localities may float bonds, maturing in not more than 25 years, to finance projects for (1) land clearance, assembly and redevelopment, (2) urban renewal, (3) community renewal, (4) rehabilitation, (5) low-rent housing, and (6) related relocation; the amount of all such debt outstanding at any one time may not exceed 5% of the equalized property valuation of the municipality as determined biennially by the State Tax Commission. Localities may also with like approval issue bonds, maturing in not more than 20 years, to finance certain grants to housing and redevelopment authorities for the making of relation payments; the total of these grants by a city or town in one year may not exceed $\frac{1}{4}$ of 1% of its state-equalized property valuation, and the total outstanding debt of the locality on this account may not exceed $\frac{1}{2}$ of 1% of that valuation at any one time (G.L. c. 121, s. 26CC).

Liberalization of Restrictions on Local Borrowing. Nationally, the 50 states have been urged by various authorities to liberalize their controls over local government borrowing, wherever necessary, to facilitate the rehabilitation of their blighted urban areas. Thus, a staff report of the Committee on State-Urban Relations of the National Governors' Conference has recommended that the states reduce the restrictions and "unnecessary complications" associated with local borrowing in order to stimulate urban redevelopment and an increase in low and middle income housing.¹ Similarly, in his testimony before the Platform Committee of the Democratic National Convention in 1968, Mayor Kevin H. White of Boston advocated federal action to induce states to remove unrealistic local debt ceilings and other financial restrictions which

¹ National Governors Conference, Committee on State-Urban Relations, *The States and Urban Problems*, Staff Study, October 1967, 200 pp; at pp. 44, 60 and 173.

inhibit the full use of local resources in meeting the urban challenge.¹

Various proposals have been offered both formally and informally on this score in Massachusetts.

In 1960 the Special Commission on the Audit of State Needs recommended, among other things, that communities be empowered to issue urban renewal bonds for a term of 30 years.² At that time, such bonds could be issued only for 15-year terms — a limitation eventually raised to 25 years in 1966 (c.692). The Commission argued that the 30-year term for urban renewal debt would enable localities to take better advantage of the “multiplier effect” in their urban rehabilitation expenditures; that “effect” refers to the improvement in the local tax base through the stimulation of private investment and employment resulting from the investment of public funds in urban rehabilitation. The Commission contended that the longer 30-year loan authorization would strengthen the local capacity to engage in urban renewal and redevelopment and thus permit a more rational scheduling of these costs against public revenues to be realized from projects for the elimination of urban blight.

Authorities interested in the housing, model cities and urban renewal programs in Massachusetts have expressed concern that these programs will be hampered unless there is a further updating and liberalization of statutes controlling local government borrowing for those purposes. Of particular moment to these authorities are existing statutory provisions (a) controlling the maximum amounts of municipal indebtedness, (b) restricting the life or term of local government bonds, (c) enumerating the purposes for which localities may incur debt, and (d) distinguishing between cities and towns in respect to their borrowing powers.

Limitation on Amount of Local Indebtedness. Officials connected with the Model Cities Program stress that many cities have already reached the limits of their statutory borrowing capacities.

¹ City of Boston, Office of the Mayor, *Statement by Mayor Kevin White Before the Democratic Platform Committee, August 22, 1968*, 8 pp. mimeographed.

² Mass. Special Commission on the Audit of State Needs, *Massachusetts Needs in Urban and Industrial Renewal*, House No. 3373 of 1960, 152 pp.

Cities have also committed themselves to programs of future indebtedness which severely limit their involvement during the next five years in the extensive construction and reconstruction of capital facilities required in the model neighborhoods.

In the absence of a statute specifically authorizing additional local borrowing for model cities purposes, these officials point out once again that the Model Cities Program will have to rely largely upon the law permitting cities to borrow outside the regular city debt limit amounts not exceeding 5% of their state-equalized property valuations to finance (a) land assembly and redevelopment projects, (b) urban and community renewal projects, (c) public housing, (d) rehabilitation projects, and (e) the relocation of families and enterprises necessitated by the foregoing projects (G.L. c. 121, s. 26CC). It is argued that this 5% ceiling is inadequate, especially for the largest cities such as Boston, where very sizable additional outlays are needed to eradicate urban blight. Accordingly, model cities authorities suggest that consideration be given to legislation which would authorize additional supplementary municipal borrowing above the 5% ceiling for expenditures in model cities geographic areas under the Model Cities Program, subject to the approval of the Emergency Finance Board.

Restrictions on the Life or Term of Local Bonds According to Purpose. To finance their model cities undertakings, local governments must piece together a borrowing program based on statutes which prescribe different lives or terms for bond issues by purpose (notably, G.L. c. 44, ss. 7-8 and c. 121, s. 26CC).

Thus, to finance sewer mains and facilities, localities must issue bonds which have terms of up to 5, 10 or 30 years, depending on the kind of sewage installation. Likewise, loans for water supply purposes may be for 5, 10, 15, 20, 25 or 30 years, according to the type of installation or facilities (loans to install pipes of under 16 inches in diameter may be for no more than 15 years, whereas bonds to finance the installation of larger-diameter pipes may have a term not exceeding 25 years). Incinerator loans may not have a life of more than twenty years. And varying 10 and

20-year limits control borrowing for municipal gas or light plant purposes.

Bonds to finance recreational facilities may have 10, 15, 20 or 30-year terms according to the refinements of the law governing local borrowing and the type of facility involved. To pay for the repair, enlargement or construction of municipal public buildings generally, bond issues with terms of 10 or 20 years are permitted. The latter 20-year term also extends to bonds to finance state-aided local public school projects. The construction of roads and sidewalks may be financed by bond with 10-year terms, except that 20-year bonds may be issued for bridge construction. The lower 10-year limitation also applies to local borrowing for transportation facilities and shore protection installations. Finally, for the various housing and anti-blight purposes enumerated in the Urban Renewal and Public Housing Law, localities may borrow through the sale of bonds having a term not longer than 25 years.

Some model cities authorities urge simplification of this "chaotic" picture by reclassifying functionally the objectives served by municipal indebtedness. Thus the 60 different statutory borrowing authorizations could be reduced, through consolidation, to a smaller number of broad functional authorizations, including, among others, such classes as "educational facilities," "water and sewer facilities," "housing, renewal and model cities," and "short-term projects." The maximum term of bonds issuable under each category could then be established more realistically, in the judgment of critics of the present system.

In particular, some of these critics suggest that a 40-year term be authorized for bonds issued to finance housing, urban renewal and other capital outlay permitted by Section 26CC of Chapter 121 of the General Laws, and that this section be amended to include model cities outlay. Proponents of this view agree with the Special Commission on the Audit of State Needs that public expenditures of this kind produce a long-term financial and social return to the community and the Commonwealth. On this score, advocates of this step point to the 40-year bonds which may be issued by the Massachusetts Turnpike Authority, Massachusetts Port Authority and Massachusetts Parking Authority, which they describe as

“development” agencies in character.¹

Generally speaking, critics argue that the constant flow of proposals to add new borrowing authorizations and to permit local borrowing beyond existing statutory debt limitations reflect the shortcomings of many current municipal finance statutes. Such critics also feel that communities will seek the most advantageous debt arrangements for themselves, either by way of shorter or longer loan terms, depending upon their particular financial circumstances, within the limitations imposed by law. To the extent that the latter limitations are obsolete in the light of modern conditions and financial realities, the capacity of the municipalities to meet the urban challenge is crippled.

City-Town Distinction in Local Borrowing Authority. Finally, critics of the existing controls over local borrowing in Massachusetts consider “absurd” the present practice of distinguishing between cities and towns in respect to their statutory debt limits. In the view of such critics, municipal debt limitations should be based on economic factors such as (a) equalized property valuations and (b) population, not upon the type of municipal organization mandated in local charters. If a city or a town of like population each have a 1,000-family slum, and hence a comparable social and physical rehabilitation problem, they will require like financial powers and resources to solve it.

Those who would eliminate the city-town distinction in municipal debt limitations emphasize that many towns are more populous than some cities of the Commonwealth; thus, 50 towns exceed the City of Newburyport in population as reported by the 1965 state decennial census; and the Town of Brookline had a greater population at that time than half of the 39 Massachusetts cities. Further, critics stress that urban blight is not confined to cities in Massachusetts, and that the Model Cities Program ought to be available also to the larger depressed towns.

Authority of Model Cities Agencies

Authority re Activities of Other Agencies in Model Neighborhood

The Federal Model Cities Law stresses attainment of its objec-

¹ Acts of: 1953, c. 354, s. 8; 1956, c. 465, s. 10; 1958, c. 606, s. 8.

tive of an improved quality of urban life "through the most effective and economical concentration and coordination of Federal, State and local public and private efforts."¹ Accordingly, it requires that municipalities participating in this federally-aided program provide administrative machinery capable of "carrying out the program on a consolidated and coordinated basis," with appropriate assurances of cooperation by those agencies whose aid is necessary.²

Some model cities officials in Massachusetts complain that their model cities agencies lack effective control over projects and programs undertaken in their model neighborhood areas by other public authorities.

The federal government, through HUD, requires coordination of federally-aided housing activity with the Model Cities Program; and there is a dovetailing of the latter with federally-assisted community renewal programs. However, the programs of the U.S. Department of Health, Education and Welfare and of the Office of Economic Opportunity function outside the control of the local model cities agency, with coordination only where this is arranged voluntarily on an interagency basis.

The State Department of Community Affairs is empowered "through advice and counsel" to coordinate the programs of the various state agencies active in model neighborhoods and other urban sections, and to foster cooperation among federal, state and local agencies in that regard (G.L. c. 23B, s. 3). However, other state departments may spurn this "advice" on technical or political grounds unless the Commissioner of Community Affairs is an adept diplomat, or unless the governor intervenes. The previously-referred-to personnel shortages in the Department of Community Affairs also limit its ability to secure the desired degree of interagency cooperation on any basis. Local model cities agencies, as municipal departments, must rely wholly on diplomacy and negotiation to secure the cooperation of state agencies with projects in their model neighborhoods.

At the city level, model cities agencies are hampered in their

¹ Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754; 80 Stat. 1255), Title I, s. 101.

² *Ibid.*, s. 103(a) (4).

work if they lack approval power over activities and projects of other city departments in their model neighborhoods. Such an approval power may be conferred on the model cities agency by an executive order of the mayor or city manager with respect to those city departments under his control. Or it may be provided for by ordinances enacted by the city council pursuant to its constitutional "home rule" authority to —

... exercise any power or function which the general court has power to confer upon it, which is not inconsistent with the constitution or laws enacted by the general court . . . and which is not denied, either expressly or by clear implication, to the city or town by its charter . . .¹

Such an ordinance adopted by the Cambridge City Council in 1968 (No. 766) grants extensive approval powers to the Cambridge City Demonstration Agency (CDA) in these terms:

Subject to, and in furtherance of, the authority of the City Council and the provisions of this Ordinance, the CDA shall have exclusive authority to make and provide for the carrying out of plans for the Cambridge Model Cities Program. Departments, commissions, boards, offices, and other public bodies of the City of Cambridge shall, in a manner consistent with the City Charter and the General Laws, and subject to the approval of the City Council or City Manager when necessary, carry out programs proposed to them by the CDA in the proper exercise of its authority. It is the intention of the City Council to refrain from approving those parts of requests or proposals from other public bodies which materially affect the Model Cities Area and are inconsistent with the plans of the CDA. (Cambr. Gen. Ord., c. 39, Art. IV, s. 6).

No amendments to the Final Plans required by a state agency or department or by . . . (HUD) . . . as a condition of granting federal funds for the execution of a Model Cities Program . . . shall be adopted by the City Council until the amendments have been approved first by the CDA . . . (Cambr. Gen. Ord., c. 39, Art. VI, s. 3).

All requests, proposals, resolutions, orders or petitions for fundamental changes affecting land use in the Model Cities Area during the period in which the Model Cities Program is being planned and executed shall be transmitted to the CDA . . . (for its written comment) . . . before any action is taken in respect thereto by the City Council, City Manager, or any department, commission, board or office of the City . . . (Cambr. Gen. Ord., c. 39, Art. VII).

Ordinances of this character do not appear to be binding on local school departments which enjoy statutory independence from

¹ Mass. Const., Amend. Art. II, s. 6, as revised by Amend. Art. LXXXIX.

control by municipal legislative bodies (except as to school construction and pupil transportation).

Arguments Pro and Con Approval Powers for Model Cities Agencies

In the opinion of some model cities officials, their agencies should be given a power of approval, at least for a three or four year period, over projects and programs undertaken in their model neighborhoods by other public authorities, so that a better coordination of public effort can be achieved therein. They see such approval power as especially necessary in regard to educational, health, welfare, employment, housing and public works programs. They favor legislation which would require programs originating at the state level and in other departments of a municipality to conform to the plans developed by model cities agencies in whose territory they are conducted.

In general, such model cities authorities say that it is difficult to work out effective cooperation on a purely voluntary basis with other, older federal, state and local departments; because of conditioning and habits, the bureaucracies of such departments are said to have a strong, innate resistance to the kind of experimentation in which model cities agencies wish to indulge.

The conferring of broad approval powers upon model cities agencies with respect to the activities of state agencies and other municipal departments in model neighborhoods is criticized by officials of these latter bodies as both unwise and unnecessary.

Firstly, some state officials object that impasses may result if model cities agencies are permitted to veto the execution within their areas of programs and projects of statewide or regional import. These officials note the delays and difficulties which attended the granting of a "home rule veto power" to certain Boston area cities and towns in regard to state highway construction therein. Hence, while such officials favor full consultation and cooperation between their departments and the model cities agencies, they feel the most productive results will come from the processes of negotiation.

Secondly, officials of other city departments protest any grant of approval powers to a model cities agency which would transform its model neighborhood into a "city within the city" and deprive

those departments of substantial control over their own activities and projects in the model neighborhood. Such departments stress their citywide responsibilities, and the experience and expertise of their staffs in their respective specialized fields of activity. They object to granting "dictatorial authority" to model cities agencies which they describe as recent in origin and short on experience and qualified staff. Accordingly, these city departments also favor the cooperation approach, with interagency differences of opinion being resolved by the mayor or city manager.

Eminent Domain Authority

In the opinion of officials of some model cities agencies, there is a need to vest eminent domain authority in the local model cities agency in respect to its model neighborhood area. Currently, land takings must be authorized by the city council in a city, or the town meeting in a town, by a two-thirds vote of its membership for purposes authorized by statute (G.L. c. 40, s. 14; c. 79). Takings so authorized must then be initiated by the municipal departments which must develop, maintain and operate the land and facilities so acquired.

Model cities officials point out that the model cities agencies are supposed to play a "staff" role, coordinating land takings by municipal operating departments in the model neighborhoods. However, the ideal and real do not always match in this process. Among the potential difficulties cited by these officials in present procedures are: (1) conflicting opinions among city agencies — including the model cities agency — as to contemplated land takings, (2) disputes within city councils over proposed land takings

Resident Participation

Statutory and Regulatory Requirements

Federal Requirements. By requirement of the Federal Model Cities Law, a local government must afford an opportunity for "widespread citizen participation" in its model cities program to be eligible for federal financial assistance.¹ The statute does not define this concept of "citizen participation"; HUD regulations

¹ Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754; 80 Stat. 1255), Title I, s. 103 (a) (2).

and local experimentation are controlling on this score. The adequacy of the arrangements for resident participation in the affairs and conduct of any model city is evaluated by HUD when the locality applies for federal aid to its model city program.

In general, HUD regulations stipulate that each such locality must provide for representation by model neighborhood residents in the formulation of the policies and plans of their model city. These regulations leave wholly to local discretion the decision as to whether one or more resident boards or committees are established for these purposes, what their precise powers are, whether resident members of such bodies are to be elected or appointed, and whether such bodies shall include non-resident members or city officials serving *ex officio*s. Such a resident body must be provided by the locality, through its model cities agency or otherwise, with professional technical assistance, financial assistance, and information sufficient to permit it to initiate and evaluate proposals relating to the model city.¹

HUD policy stresses the retention by municipal governments of final decision-making and fiscal authority with respect to model cities within their municipalities. Thus, the mayor and council of a city, or town meeting of a town, control and structure and activities of the model city agency. Likewise, the municipality retains administrative authority over planning funds provided to its public agencies, and the right to review the utilization of planning funds allocated to private agencies and neighborhood groups.

Massachusetts State Requirements. Currently, the Commonwealth has set no standards for resident participation in the formulation of model cities policies and plans in Massachusetts. Such participation is left entirely to local determination, subject to (a) local charter provisions, and (b) approval by HUD when the city or town applies for federal financial assistance under Sections 104-105 of the model City Law. Thus, one or more "resident" boards may be attached to a model city undertaking by executive order of the mayor or of the city or town manager, or by ordinances

¹ U.S. Department of Housing and Urban Development, *Citizen Participation in Model Cities*, Technical Bulletin No. 3, MCGR-G3110.3, HUD Guide, Washington, D.C., December 1968, 27 pp.

or by-laws enacted by the legislative body of the municipality. The effective powers of such neighborhood resident boards vary greatly.

Practices of Nine Model Cities in Massachusetts

Types of Resident Boards. Of the nine Massachusetts localities (all cities) having model cities agencies, five provide for only one major model neighborhood or model city board as the vehicle for resident participation at the upper level (Boston, Cambridge, Fall River, New Bedford and Springfield). The remaining four localities report that they have established two such boards each, with different functions and responsibilities (Holyoke, Lowell, Lynn and Worcester). All 13 of these boards contain members elected by residents of the model neighborhood on some basis; and at least six of these boards include members appointed by various city bodies and civic groups, or city officials serving *ex officio*. The elected resident members were reported to constitute a voting majority on at least nine of the 13 boards, and at least half of the memberships of another two boards.

Advisory Powers of Resident Boards. All 13 boards possess advisory powers. In the five communities with but one major resident board, these advisory responsibilities extend to model city policies, plans and other specified aspects enumerated in the ordinance or executive order creating the board. Most responses of the four cities with two "resident" boards each did not indicate precisely the functional differences between these boards; in some instances, one board concerns itself with "policy" questions while the second body passes upon "planning" issues; and in other localities, the two boards seem to have the aspects of a bicameral system with concurrent jurisdiction.

Approval Powers of Resident Boards. The "approval" powers vested in these 13 boards, as distinct from purely "advisory" powers, are difficult to assess in view of the ultimate power of review and approval retained in the mayor and city council under HUD regulations and policies.

The most sweeping powers reported are those accorded to the Cambridge City Demonstration Agency (16 elected resident members and eight appointed or *ex officio* members), whose prior

approval is required before further action may occur on final plans and proposals. It has control over aspects of the activities of other city agencies in the model city. And it has a right of review of certain proposed ordinances affecting its work.

In one city with but one board (Boston) and in a second city with two bodies (Lowell), no approval powers with "teeth" in them were reported. Approval powers of varying scope are reported vested in resident boards of three cities with one such board each (Fall River, New Bedford and Springfield), and in at least one of the two boards in the three remaining cities with "double" systems of resident boards (Holyoke, Lynn and Worcester);.

Finally, three of the nine model cities prescribe that the final plans of the model city program must be approved by model neighborhood residents at a referendum election (Cambridge, Holyoke and Lowell).

Considerations of Bona Fide Resident Participation. As indicated above, "resident participation" in the establishment of model city policies and plans is not to be equated automatically to "control" thereof by model neighborhood voters or by representative boards elected by them. In the three municipalities providing for a model neighborhood referendum endorsement or rejection of the model city program, neighborhood residents "participate" in a significant way. At least, political realities make unlikely any city council approval of such a program which fails to win neighborhood voter approval. At the same time, neighborhood voter ratification of a model city scheme does not obligate the city council to approve the requisite application for federal financial assistance.

In the six municipalities lacking such referendum procedures, the effectiveness of resident participation in policy and plan formulation depends entirely upon (a) the composition of the neighborhood boards, (b) the forcefulness of personalities serving thereon, (c) the degree to which model neighborhood people accept such bodies as being representative of them, (d) the powers conferred upon these boards by the parent municipality, and (e) the seriousness with which the findings and recommendations of such boards are accepted by the mayor or city manager, city council and the

bureaucracy. These factors determine the difference between genuine resident participation and elaborate "window dressing."

The major challenge to be met in devising schemes of resident participation in the development of model city policies and plans is that of recapturing some of the spirit and sense of community identity and popular participation and responsibility characteristic of the old New England town. This is especially true in the instance of model cities located in municipalities with a city form of government. Towns, with their town meeting systems of government, afford a broad basis of citizen participation in formulating municipal policies and programs ;and in all but perhaps the largest of them, the ordinary citizen tends to feel that he and his neighbors *are* the town. Cities, with their much larger scale of operations and small legislative bodies, must contend with very real problems of voter alienation.

This problem has special significance in cities where city councilmen are all elected at large, with the consequence that many component major neighborhoods or wards within the city are left without a resident councilman who understands their problems and needs and who is available to assist neighborhood residents. Under such circumstances, the resident, especially the resident of a deprived area, is prone to regard the city government as a remote "third party," not as *his* government. To the town resident who remarks that "we did such-and-such in the town meeting," the inhabitant of a city ward may respond "they . . . (the officials in city hall) . . . may or may not do the same for us." For the model cities, the task is thus to return government from the third person plural to the first person plural.

Findings and Recommendations of Two National Studies

The problems of effective neighborhood participation have been explored in two recent national studies, one published by the Arthur D. Little Company in 1967, the other released by the Federal Advisory Commission on Intergovernmental Relations in 1968. Both organizations recommended steps to enhance such participation.

Arthur D. Little, Inc., Study of 1967. The Arthur D. Little Company examined nationwide aspects of resident participation

in the model cities endeavor, and has suggested steps to make that participation more effective.¹

This study emphasizes that the effectiveness of resident participation has been impaired by a conflict of Model City Program requirements with conditions for its success. This is particularly true of the requirement that, within one year following its receipt of a Section 104 planning grant, a model city agency must produce on a "crash basis" a five-year model city plan, which is to be the basis of the municipality's application for a Section 105 grant to execute an "approved comprehensive city demonstration program." The study concluded that one year is an inadequate period within which to fill out the requisite federal aid application forms, analyze the ills of the model neighborhood and propose remedial plans; and it questioned the feasibility of trying to implement such plans within five years in all cases. Because of the time-consuming aspects of securing effective resident participation, the report argued that the requirements for such participation in the planning as well as the implementation stages of the program are inconsistent with the prescribed time schedule.²

The Arthur D. Little study went on to suggest possible methods whereby resident ("citizen") participation in the model cities program might be made effective:

In the planning for the Model Cities Program, the individual can have a major opportunity to exercise control over the future of his individual and neighborhood environment by choosing what services and facilities the community needs, helping to determine how housing should be improved, and playing an important role in the development of a model city strategy.

There is no complete substitute for some direct citizen involvement in policy formulation. City officials will find working with citizen groups less frustrating if they modify their expectations and accept the element of unpredictability that citizen participation injects into the planning process . . .

In many cities the same few people appear over and over again as neighborhood representatives in civic activities. They are ordinarily the most vocal, and the most likely to volunteer. Often they are property owners or others who have economic interests in the area.

¹ Arthur D. Little, Inc., *Critical Issues in Urban Management-Strategies For Shaping Model Cities*, Washington, D.C., Communication Service Corp., 1967, 52 pp., plus

² *Ibid.*, p. 4

These individuals and their views are not necessarily, however, truly representative of the views of the residents of the neighborhood. Many natural neighborhood leaders may either lack skills or knowledge for communication with outside groups or may have attitudes and attachments that discourage their participation in broader community activities. Special efforts should be undertaken at the outset of a program to identify these individuals, to understand the obstacles to obtaining their cooperation, and to develop means of enlisting them in program planning and operations . . .

The development of the community's physical pattern can serve as a major source for stimulating citizen participation. In many cities, neighborhood groups have been highly effective in opposing highways, urban renewal and other programs. Skillful organization can direct this energy to the advantage of the city and neighborhood residents. The appropriate form for citizen involvement should be related to both the city-wide responsibilities of city officials and the capabilities and skills for participation of citizen groups. Ordinarily, some decisions concerning neighborhood development will have only limited impact outside the neighborhood itself. In such decision areas, neighborhood groups might be granted general control over a project plan subject to specific limitations . . .

No matter what type of planning procedure and administrative structure is instituted, however, interviewing and surveys in the target area are required to develop detailed information on conditions and attitudes. Residents of the neighborhood can participate in . . . this study.

The neighborhood self-survey . . . has several advantages over more conventional approaches. The indigenous worker usually possesses a natural knowledge of the social and institutional structure of the area. He faces fewer barriers to communication with local residents than would an outside interviewer. He is more likely to have access to information relating to . . . potential helpful or hindering factors related to the success of the Model Cities Program. Residents employed in this program provide a source of information to other area residents about the nature of the Model Cities Program . . .¹

The Arthur D. Little report also stressed the need to provide inhabitants of disadvantaged neighborhoods, including model city areas, with improved access to their municipal government. It noted that such inhabitants often feel that their legitimate, politically-elected representatives do not understand their problems or speak for the neighborhood interest. Hence, the report urged use of neighborhood councils, little neighborhood city halls or service

¹ Arthur D. Little, Inc., *Critical Issues in Urban Management-Strategies For Shaping Model Cities*, pp. 22-24.

centers, and neighborhood "ombudsmen" to bridge the gap between the model city residents and their municipal government.¹

The study warned that the existence of competing resident organizations in the model neighborhood can intensify conflicts and delay program operations, and urged that structures be developed to orient this competition constructively. Finally, the building-up of a pool of stable leadership talent in the target area was urged, to improve neighborhood communication patterns and hence to improve the chances of success of the Model City Program.²

Proposal of Federal Advisory Commission on Intergovernmental Relations in 1968. To increase citizen involvement in the governmental activities of neighborhoods within large cities, the Federal Advisory Commission on Intergovernmental Relations (ACIR) has proposed for state use a model law providing for "neighborhood sub-units of government,"³ which has been reprinted as Appendix B of this report.

In support of its proposal, the ACIR has declared that —

... Some observers believe that the disappearance of any meaningful sense of community among residents of large cities and countries in our metropolitan areas has been one of the major causes of the "crisis in the cities." The complaint is frequently voiced that the gap between the neighborhood and the city hall or the country building has lengthened continually until the distance seems astronomical rather than a few blocks or a few miles.

States should consider legislation authorizing large cities and county governments in metropolitan areas to establish neighborhood sub-units of government with limited powers of taxation and local self-government.⁴ While the establishment of neighborhood centers is by no means the complete answer to the unrest which exists in many of our large cities, there is a definite need to stimulate individual areas to develop programs of neighborhood improvement and self-improvement.

The ... suggested legislation authorizes city and county governments to create neighborhood sub-units of government with elected

¹ Ibid, pp. 24-25.

² Ibid, pp. 25-26.

³ U.S. Advisory Commission on Intergovernmental Relations, *ACIR State Legislative Program — New Proposals for 1969*, M-39, Washington, D.C., June 1968, 125 pp. at pp. 803-1 and 803-2.

⁴ U.S. Advisory Commission on Intergovernmental Relations, *Fiscal Balance in the American Federal System*, Vols. 1 (355 pp.) and 2 (393 pp.), A-31, Washington, D.C., October 1967.

neighborhood governing bodies. The legislation provides that these sub-units may be dissolved at will by the city or county governing body. The legislation is not intended to fragment further local government structure in metropolitan areas. However, it is designed to make it possible, through the neighborhood sub-government device, for existing large units of local government to harness some of the resources and aspirations of their inner communities. The proposed legislation suggests a means through which a local government can actively involve a neighborhood in the governmental process.¹

This authority proposed by the model statute would be available only to cities of over 50,000 inhabitants, and to counties located partly or wholly in standard metropolitan statistical areas as defined by the Federal Census Bureau. It defines procedures for establishing a neighborhood service area by a city or county governing body, on petition of voters or residents of the proposed area, and after a public hearing. The proposed law allows extension of the boundaries of such a neighborhood service area by the city or county governing body, on petition of the area's neighborhood council or voters. It also spells out uniform standards for determining neighborhood service area boundaries, and prescribes procedures for dissolving such areas.

The model law further regulates the election of members of neighborhood councils and provides for the filling of vacancies to complete unexpired terms. Council members are to serve without pay, but are to be reimbursed for their official expenses. Each neighborhood council would be allowed to exercise only those powers and functions conferred upon it by the governing body of the city or county. Any power could be transferred to a neighborhood council in its entirety or, alternatively, shared with the parent local government. The proposed statute authorizes neighborhood councils to employ personnel and to initiate and execute self-help projects, including but not limited to refuse collection, beautification, recreational and cultural activities.

Subject to required audits, the city or county governing body is allowed to share with, or transfer to, neighborhood councils authority to accept and expend public and private funds to meet overhead costs of administration and costs of services rendered.

¹ U.S. Advisory Commission on Intergovernmental Relations, *ACIR State Legislative Program — New Proposals for 1969*, M-39, Washington, D.C., June 1968, 125 pp. At p. 803-1.

Such councils are given authority to finance certain services at a different level than the overall city or county tax rate, so that only recipients need pay for particular service. Neighborhood councils are empowered by the model law to levy a uniform tax to finance special services.

The ACIR study stressed that in some states changes may be required in the state constitution to facilitate enactment of its legislative proposal above.

Proposal by Representative Joseph B. Walsh of Boston in 1969

In 1969, Representative Joseph B. Walsh of Boston, Vice Chairman of the Legislative Research Council, proposed legislation, based on the ACIR model, which would have authorized "neighborhood area agencies" in cities and towns of over 50,000 inhabitants. His measure, House, No. 1663, was referred to the Joint Committee on Local Affairs for consideration. After a public hearing at which neither proponents nor opponents expressed an interest, that committee recommended to the House of Representatives on April 22, 1969 that House, No. 1663 be referred to the next annual session; and this negative report was accepted by the House on the following day.

Synopsis of Walsh Proposal. House, No. 1663 represented an adaptation of the ACIR model law to Massachusetts conditions. It proposed to empower cities and towns, rather than cities and counties, to create neighborhood area agencies; and, unlike the ACIR measure, House, No. 1663 proposed to grant this authority to towns of over 50,000 inhabitants whether located in a standard metropolitan statistical area or not. In a third departure from the ACIR draft, the Walsh bill omitted any extension of taxing powers to neighborhood area agencies. The provisions of the relatively brief House, No. 1663 are synopsized as follows:

Section 1. Each city or town of over 50,000 population, by action of the mayor and city council in a city, or by the board of selectmen in a town, is authorized to create a "neighborhood area agency" to provide or to advise on the provision of such governmental services or functions as specifically assigned to said agency by the respective mayor and city council, or board of selectmen. A school committee may assign services or functions under its exclusive jurisdiction to such a neighborhood area agency. The powers, duties and responsibil-

ities of a neighborhood area agency shall be limited to those services or functions so assigned.

Section 2. Each neighborhood area shall be governed by a neighborhood service board established by this act.

Section 3. (a) A neighborhood area board shall consist of one member for each voting precinct within its boundaries. The term of office shall be the same as members of the city council or board of selectmen.

(b) Board members shall be elected at-large by the voters of the neighborhood service area at the regular municipal elections. Members shall be residents of the neighborhood service area who are qualified to vote in elections for local government officials.

(c) A vacancy on the board may be filled by the city council or board of selectmen from registered voters in the area. A member so appointed shall serve until the next general municipal election.

Section 4. A petition signed by 10% of the qualified voters of any compact and contiguous area of a city or town may be submitted to the city council or to the board of selectmen, requesting the establishment of a neighborhood service area to provide any service or services which the city or town is authorized by law to provide. The petition shall describe the boundaries of the proposed service area and shall specify the services to be provided. Such boundaries shall be drawn so no voting precinct is subdivided.

Within 30 days following the verification of the signatures on the petition by local election commissioners, the city or town shall hold a public hearing on the question of whether or not the requested neighborhood service area shall be established. Within 30 days after that hearing, the city council or board of selectmen shall approve or disapprove the establishment of the requested neighborhood service area. A hearing may be adjourned from time to time, but shall be completed within 30 days of its commencement. A resolution approving the creation of the neighborhood service area may contain amendments or modifications of the area's boundaries or functions as set forth in the petition, but shall not include any functions or duties of a duly elected school committee unless such school committee concurs.

Section 5. A city council or board of selectmen, pursuant to a request from a neighborhood service board created under this act, or pursuant to a petition signed by at least 10% of the qualified voters living within the neighborhood service area, may conformably with section 4 alter the boundaries of any existing neighborhood service area following the procedures set forth in the preceding section.

Section 6. In establishing neighborhood service area boundaries and determining those services to be undertaken by the neighborhood area council, the city or town shall study and take into consideration the following:

(1) The extent to which the area constitutes a neighborhood with common concerns and with a capacity for local neighborhood initia-

tive, leadership, and decision-making with respect to city or town government;

(2) City or town departmental and agency authority; and resources or functions that may be either transferred or shared with the council;

(3) Population density, distribution, and growth within a neighborhood service area to assure that its boundaries reflect the most effective territory for local participation and control;

(4) Conformity to stipulation that boundaries shall consist of bounds of voting precincts.

(5) Such other matters as might affect the establishment of boundaries and services which would provide for more meaningful citizen participation in city or town government.

Section 7. After a public hearing, a city council or board of selectmen may dissolve a neighborhood service area on its own initiative or pursuant to a petition signed by at least 10% of the qualified voters living within the neighborhood service area. The city council or board of selectmen shall give advance notice of that hearing in a newspaper of general circulation in the neighborhood service area not less than 14 days before the date thereof.

Section 8. (a) Members of a neighborhood service area board shall receive no compensation but may receive reimbursement of expenses incurred in the performance of official duties, up to a maximum of \$500 in any one calendar year.

(b) All meetings of a neighborhood service area board shall be open to the public.

(c) A board shall adopt by-laws providing for the conduct of its business and the selection of a presiding officer and other officers.

(d) A majority of the members of a council shall constitute a quorum for the transaction of business. Each member shall have one vote.

Section 9. A board may exercise any powers and perform any functions within the neighborhood service area authorized by the city council, or board of selectmen, or delegated to it by a school committee, which may include but not be limited to:

(1) Advisory or delegated substantive authority, or both, with respect to such programs as community action programs; urban renewal, relocation, public housing, planning and zoning actions, and other physical development programs; crime prevention and juvenile delinquency programs; health services; code inspection; recreation; education, and manpower training;

(2) Self-help projects, such as establishment and maintenance of neighborhood community centers, cultural activities and housing rehabilitation; and

(3) Budget and finance authority, subject to municipal audit and audit by the State Division of Accounts, to accept funds from public and private sources, including public subscriptions, and to expend

monies to meet overhead costs of council administration and support for self-help projects.

Arguments of Proponents. Proponents of House, No. 1663 of 1969 favor its enactment because they believe that there is a critical need to establish certain uniform statewide standards controlling the formation of neighborhood sub-units of government and the assignment of functions and powers to them by their parent municipalities. Proponents stress the desirability of flexible standards, adequate to prevent abuses, but not so detailed as to complicate local compliance. These proponents justify House, No. 1663 as a legitimate exercise by the General Court of its authority and duty under the Home Rule Amendment to establish general law standards of local government.¹ In their opinion, House, No. 1663 is consistent with home rule philosophy, in that it leaves to the parent municipal government rather broad discretion to assign powers and functions to neighborhood agencies, while regulating only procedural aspects.

In particular, advocates of House, No. 1663 contend that it is needed to correct certain defects in local practices with regard to the election of resident boards of model cities, and with respect to the allocation of powers to those boards. They question the authenticity of the procedures for electing certain of the model neighborhood boards, in view of their failure to adhere to recognized election practice. Specifically, advocates of House, No. 1663 assert that participation in such elections should be confined to neighborhood residents who either are registered voters or possess the requisite qualifications to register as such. Otherwise, it is argued, chaotic and possibly fraudulent election results will prevail.

Finally, proponents believe that the proposed standards of House, No. 1663 are desirable in respect to the creation of any local sub-units which are to have a role in the expenditure of the sizeable federal, state and local sums represented in such undertaking as the Model Cities Program.

Arguments of Opponents. Efforts to discover negative argu-

¹Mass. Const. Amend, Art. II, ss. 1, 7 and 8, as revised by Amend. Art. LXXXIX (1966).

ments *re* House, No. 1663 have produced little result. The adverse recommendation by the Joint Committee on Local Affairs stemmed not from substantive considerations, but rather from the failure of either proponents or opponents to attend the hearing on that bill. Having been given no reasons for supporting the measure, the Committee elected to recommend its referral to the next annual session.

Two aspects of House, No. 1663 are subject to criticism on purely technical grounds, however.

Insofar as that measure would confer on boards of selectmen in large towns the authority to create neighborhood area agencies and to assign "governmental functions" thereto, it may violate state constitutional prohibitions against vesting legislative powers in executive officers. The Declaration of Rights of the Massachusetts Constitution stipulates that "the executive shall never exercise the legislative and judicial powers, or either of them."¹ And the Home Rule Amendment outlaws local charter provisions, ordinances and by-laws which are "inconsistent" with the Constitution.² That Amendment also recognizes the town meeting in towns — not the selectmen — as the legislative arm of town government.³ Traditionally, the creation of political subdivisions has been regarded as an exercise of the state legislative power; as agents of their parent state government, local governments are deemed normally to be governed by the same broad limitations binding upon their sovereign.⁴

Finally, House, No. 1663 requires rewriting, in order to conform to the accepted legislative practice of drafting general bills in the form of amendments to the General Laws.

¹ Mass. Const., Part I, Art. XXX.

² Mass. Const., Amend. Art. II, ss. 2 and 6, as revised by Amend. Art LXXXIX.

³ Ibid, ss. 1, 2, 4 and 8.

⁴ Dillon, John F., *Commentaries on the Law of Municipal Corporations*, 4th ed., Vol. I, Boston, Little Brown & Co., 1890, s. 54, p. 93; *City of Trenton vs. New Jersey*, 262 U.S. 182 (1923); *Williams vs. Baltimore*, 289 U.S. 36 (1933); *Stetson vs. Kempton*, 9 Mass. 321 (1812); *Hood vs. Lynn*, 83 Mass. 103 (1861); *In re City of Boston*, 221 Mass. 468 (1915); *Opinions of the Justices*, 303 Mass. 631 (1939) and 328 Mass. 674 (1952).

*Practices Under Contract Laws**Economic Participation for Model Neighborhood Residents*

HUD authorities, the State Department of Community Affairs, model cities officials and groups representing ethnic minorities and the urban poor are concerned with the means whereby a substantial proportion of the public and private expenditure connected with the Model Cities Program may be retained within model neighborhoods as income to their residents.

Aside from the previously-discussed opening of employment opportunities in the governmental service, this means action on two other important fronts. Firstly, effective measures must be taken to assure broad-scale employment of model neighborhood residents by contractors engaged in work within that neighborhood. And, secondly, neighborhood construction firms and suppliers of goods and services must be afforded a maximum feasible role in the Model Cities Program. In essence, authors of that program look to such "pump priming" to stimulate the economic and social rebirth of model neighborhoods.

Advocates of that "pump priming" policy charge that under the traditional type of urban renewal program in the United States non-residents of the renewal area, and even out-of-town and out-of-state workers and contractors, have been the prime beneficiaries of the resultant increased employment and rehabilitation work. This situation has aroused fierce resentment among unemployed residents of the renewal areas, who felt that they themselves could do much of the unskilled and semi-skilled work now done by "imported" laborers hired at premium wages. In many cities the urban poor regard "urban renewal" not as neighborhood-oriented, but rather as "concrete and steel renewal" by outside contractors for the benefit of external business interests and "city hall politicians". Since urban renewal projects have tended to concentrate on types of construction other than low and middle income housing the urban poor deem the whole process as alien to their interests. Hence, there is a determination among model cities functionaries, and particularly among Black organizations, to prevent the Model Cities from repeating the alleged "economic colonialism" of the early urban renewal programs.

In Massachusetts these problems are reflected in demands on the part of model cities officials and civil rights organizations for (a) an end to labor union and industry practices which they regard as discriminatory against Black workers, (b) the rapid training of employable unemployed residents of model city areas for the construction crafts, and (c) modifications in the state laws controlling the awarding of construction, rehabilitation and demolition contracts which will permit greater participation by small neighborhood contractors now "frozen out" of competition by these laws.

Federal Equal Opportunity Requirements

Requirements of Model Cities Law of 1966. To further such economic participation by model neighborhood residents, the Demonstration Cities and Metropolitan Development Act sets forth, among its major objectives, the expansion of housing, job, and income opportunities and the reduction of underemployment and enforced idleness.¹ Hence, to qualify for federal financial assistance, local governments must assure (a) widespread resident participation in the Model Cities Program, and (a) "*Maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training,*"²

Furthermore, local model cities undertakings must be so designed as to have a "noticeable effect" on problems of the model neighborhood, including the "unemployment rate."³ Contractors and subcontractors engaged on federally-assisted construction in the Model Cities Program are obligated to pay locally prevailing wages, as determined by the United States Labor Department, to their "laborers and mechanics", except those employed to construct, rehabilitate, alter or repair residential property designed to house fewer than eight families.⁴ Finally, the Model Cities Act directs that efforts be made to encourage participation by "small builders" in housing construction and rehabilitation; this includes

¹ P.L. 89-754, ss. 101 and 103 (a) (2).

² Ibid., s. 103 (a) (2). Italics provided editorially for emphasis.

³ Ibid., s. 105 (c).

⁴ Ibid., ss. 110 and 503.

such builders whose firms are located in model neighborhoods.¹

Requirements of Civil Rights Act of 1964. Contractors, sub-contractors and others engaged in projects under the Model Cities Program must comply with Title VI of the Federal Civil Rights Act of 1964 which stipulates that "No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."² That title requires HUD and other federal agencies administering such assistance programs to adopt regulations to implement that national policy, and to enforce the same, and provides for the cut-off of federal funds where state or local governments fail to comply.³

Title VII of that Act, relative to equal employment opportunity, prohibits racial, color, ethnic or religious discrimination in employment by any employer of 25 or more persons in "an industry affecting commerce"; this provision does not apply to governmental bodies (which are governed by other laws), religious organizations and certain other employers.⁴ The Civil Rights Act of 1964 further forbids labor unions to exclude any person from union membership, to refuse to refer any person for employment, to limit anyone's employment opportunities, to cause any employer to discriminate against any job applicant, or to classify union members, by reason of race, color, national origin, religion or sex.⁵ Likewise, such discrimination by employment agencies is prohibited.⁶

Enforcement of Title VII is vested in the Federal Equal Employment Opportunity Commission, the United States Department of Justice and the Federal courts.⁷ However when a state, such as Massachusetts, or a locality has its own fair employment practices laws, federal intervention may not occur until the state or lo-

¹ Ibid., s. 104.

² P.L. 88-352, s. 601.

³ Ibid., s. 602.

⁴ Ibid., s. 701 (b).

⁵ Ibid., s. 703.

⁶ Ibid., s. 704.

⁷ Ibid., s. 706-707.

cal enforcement agency has had an opportunity to act upon the complaint.¹

Requirements of Presidential Executive Order No. 11246. The Civil Rights Act of 1964 has been supplemented by Executive Order 11246 of 1965, promulgated by President Lyndon B. Johnson.² This order declares that —

It is the policy of the Government of the United States to provide equal opportunity in federal employment for all qualified persons, to prohibit discrimination in employment because of race, creed, color, or national origin, and to promote the full realization of equal employment opportunity through a positive, continuing program in each executive department and agency. The policy of equal opportunity applies to every aspect of federal employment policy and practice.³

The order empowers the United States Secretary of Labor to make regulations to assure non-discrimination in employment by contractors and subcontractors engaged by either federal agencies or applicants for federal assistance. Contracts awarded to such contractors and subcontractors bar discrimination against employees or applicants for employment on racial, religious or ethnic grounds. Further, such contractors and subcontractors must take "affirmative action" to assure equality of employment opportunities. This "affirmative action" must cover such aspects as employment, upgrading, demotion, transfer, recruitment, lay-offs, pay, and selection for training (including apprenticeship). Employers must file compliance reports with the federal agencies in charge of the assistance programs, and with the United States Secretary of Labor, as required; and state and local entities participating in federally-aided construction must cooperate with the foregoing federal authorities in obtaining compliance with the order. "Construction" is defined to include "the construction, rehabilitation, alteration, conversion, extension, or repair of buildings, highways, or other improvements to real property."⁴

Related Massachusetts State Requirements

Anti-Discrimination Law. In Massachusetts, the foregoing feder-

¹ Ibid., ss. 706 and 708

² 30 F.R. 12319-25; September 24, 1965.

³ Executive Order No. 11246, s. 101.

⁴ Executive Order No. 11246, ss. 201-203, 301-304.

al equal opportunity policies are supplemented by the anti-discrimination statutes administered by the Massachusetts Commission Against Discrimination (MCAD). These statutory provisions are found mainly in Chapter 151B of the General Laws, which makes it an unlawful practice —

1. For an employer, by himself or his agent, because of the race, color, religious creed, national origin, sex, age, or ancestry of an individual, to refuse to hire or employ or to bar or to discharge from employment such individual or to discriminate against such individual in compensation or in terms, conditions or privileges of employment, unless based upon a bonafide occupational qualification.

2. For a labor organization, because of the race, color, religious creed, national origin, sex, age, or ancestry of any individual to exclude from full membership rights or to expel from its membership such individual or to discriminate in any way against any of its members or against any employer or any individual employed by an employer, unless based upon a bona fide occupational qualification (G.L. c. 151B, s. 4).

“Employers” subject to these prohibitions include state and local government agencies, and private employers of six or more persons, but do not include religious institutions and non-profit charitable, educational and educational organizations. “Labor organizations” include those constituted for the purposes of collective bargaining or of “dealing” with employers concerning “grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment.” (G.L. c. 151B, s. 1).

Employers and unions are obligated to keep records, in such form as MCAD regulations may require, relating (a) to race, color or national origin, and (b) to compliance with “any executive order issued by the President of the United States or any rules or regulations issued thereunder prescribing fair employment practices for contractors and subcontractors under contract with the United States.” However, this requirement applies only when such an employer has more than 25 employees working for him daily in each of 20 or more calendar weeks in a year (G.L. c. 151B, s. 4).

The Anti-Discrimination Law further stipulates that its provisions, and regulations of the MCAD, shall not be interpreted to require any employer or labor organization —

... to grant preferential treatment to any individual or to any group because of the race, color, religious creed, national origin, sex, age or ancestry of such individual or group because of imbalance which may exist between the total number of percentage of persons employed by any employer, referred or classified for employment by any employment agency or labor organization, admitted to membership or classified by any labor organization or admitted to or employed in, any apprenticeship or other training program, and the total number of persons of such race, color, religious creed, national origin, sex, age or ancestry in the commonwealth or in any community, section or other area therein, or in the available work force in the commonwealth or in any of its political subdivisions (G.L. c. 151B, s. 4).

Complaints alleging unlawful employment practices may be filed with the MCAD, which must, in such instances, make a prompt investigation thereof and seek to conciliate the grievance involved. When conciliation fails, the chairman of the Commission may then order a hearing of the complaint before the Commission, leading to the adoption of an order to the responsible party or parties to cease and desist from such unlawful employment practices as may be found by the Commission, and to take appropriate corrective action. Either the complainant or respondent, or any other person aggrieved by that order, may appeal therefrom to the Superior Court whose decision is final, subject to review only by the Supreme Judicial Court (G.L. c. 151B, s. 6).

Gubernatorial Code of Fair Practices of 1966. The policies of the Massachusetts Anti-Discrimination Law are supplemented by the Governor's Code of Fair Practices issued on January 12, 1966 by Lieutenant-Governor Elliot L. Richardson, acting as Governor during the absence of Governor John A. Volpe.¹ This "code" was not promulgated as an executive order, but as a basic policy guideline for agencies of the state executive branch.

Article IV of the Code, relative to contracts, stipulates that —

Every state contract for public works or for goods or services shall contain an article prohibiting discriminatory employment practices by contractors and suppliers of goods or services based on race, color, religion, national origin, ancestry, age or sex. The nondiscrimination article shall include a provision requiring contractors and suppliers of goods or services to give written notice of their commit-

¹ Commonwealth of Massachusetts, Executive Department, *Governor's Code of Fair Practices*, Boston, Mass., January 12, 1966; 12pp.

ments under this article to any labor union, association or brotherhood with which they have a collective bargaining or other agreement. Such contractual provisions shall be fully and effectively enforced and any breach of them shall be regarded as a material breach of the contract subject to appropriate sanctions. All state agencies shall utilize to the fullest the investigatory powers of the Massachusetts Commission Against Discrimination. As part of its annual report each state agency shall submit to the Governor certification of how it has assured compliance with these provisions by all contractors and suppliers of goods and services.

Article VII provides that all educational, counselling and vocational guidance programs, and all apprenticeship and on-the-job training programs of state agencies, or in which state agencies participate, shall be open to all qualified persons without regard to race, color, religion, national origin, age, sex or ancestry. Furthermore this Article requires that —

. . . such programs shall be conducted to encourage the fullest development of the interests, aptitudes, skills, and capacities of all students and trainees, with special attention to the problems of culturally deprived, educationally handicapped, or economically disadvantaged persons. Expansion of training opportunities under these programs shall also be encouraged with a view toward involving larger number of participants from those segments of the labor force where the need for upgrading levels of skill is greatest . . .

Other provisions of the Code forbid state licensing and regulatory agencies to discriminate against persons or firms on grounds of race, color, national origin, or ancestry (Art. X) and prohibit such discrimination in programs of state financial assistance to public agencies, private institutions or organizations (Art. XIII).

To the extent that requirements of the Governor's Code of Fair Practices repeat the substance of statutory provisions, or are incorporated by reference in state contracts and grant-in-aid agreements, they are enforceable. However, other provisions of the code which pertain to persons, entities and authorities not part of the state executive branch appear to be unenforceable because they are not authorized by specific statutes. Hence, they may involve a gubernatorial infringement of powers reserved to the General Court by the Separation of Powers Article of the State Constitution.¹

¹ Mass. Const., Part I, Art. XXX.

Community Affairs Act of 1968. The 1968 statute (c.761) creating the State Department of Community Affairs designates that department as the principal agency of the Commonwealth for mobilizing human, physical and financial resources to combat poverty and to provide economic training and opportunities for residents of blighted and depressed areas, including model cities. The department is further authorized to coordinate state and local government activities "which effect the full and fair utilization of human resources," and to initiate programs for such utilization, in cooperation with the MCAD (G.L. c. 23B, s. 3).

Black Complaints Concerning Practices of Building Trades Unions and Contractors

Background of Controversy. Within the past several years, an increasingly bitter controversy has developed nationally between Black organizations and civil rights groups on one side, and building trades unions and construction contractors on the other, over charges by the former groups that Black and Puerto Rican workers are being excluded from more than "token" membership in those unions. The controversy poses a serious threat both to the Model Cities Program in Massachusetts and other states, and to the preservation of public order in the Black ghettos such as the Roxbury-North Dorchester sector of Boston. This issue is charged with intense emotion, and its fires are fed by a pervasive mutual distrust between the contending sides which vastly complicates the task of correcting old wrongs and negotiating an acceptable compromise of conflicting interests.

The conflict is both racial and economic, pitting the desire of the urban Black poor for a "piece of the action" in the form of jobs against the attempt of the craft unions to maintain the seniority rights and job protection of their members. The building trades unions have an old history in the American labor movement, and have a guild-like orientation designed to maintain high standards of craftsmanship and high wages through the control of the numbers and qualifications of new craftsmen admitted to the trades each year.

Hearings by State Advisory Committee to U.S. Civil Rights Commission. Extensive public hearings on this issue were held in Bos-

ton on June 25-26, 1969 by the Massachusetts State Advisory Committee of the United States Civil Rights Commission, chaired by Rev. Robert F. Drinan, S.J., Dean of the Boston College Law School. The essential features of the controversy are reconstructed below from testimony offered during those hearings, and from materials and information supplied to the Legislative Research Bureau by officials of the Building Trades and Construction Trades Council AFL-CIO, the Urban League of Greater Boston, the National Association for the Advancement of Colored People (NAACP), Boston City Councillor Thomas I. Atkins, and federal and state agencies.

At this hearing the NAACP, the Urban League and other minority group organizations protested that there is a discernable nationwide pattern of invidious discrimination against Black and Puerto Rican minority groups by the building trades unions and by contractors having collective bargaining contracts with those unions.

Such minority group organizations contended that the building trades unions have, in most instances, permitted only "token" integration of Black and Puerto Rican people into their membership in order to give the appearance of compliance with federal and state civil rights and anti-discrimination laws. Civil rights advocates charge that these unions otherwise remain "lily-white closed corporations" which favor relatives of present members over other applicants to apprenticeship programs and union membership, and which force up wages through unreasonable and artificial restrictions upon the training and admission of new union members. Black spokesmen complain that these alleged union practices (a) unfairly deprive Black and Puerto Rican people of reasonable opportunities to acquire craft skills and membership, and (b) seriously inflate the cost of housing and other construction needed in urban rehabilitation, especially by the poor.

These minority group complaints were underscored in testimony by the Chairman of the MCAD, Mrs. Erna Ballantine, before the State Advisory Committee to the United States Civil Rights Commission. Her statement, reprinted in Appendix C of this report, indicated that within the past few months the MCAD has initiated nearly 250 complaints of unlawful discrimination against 25 union

locals and five large construction firms in the Boston area. The Chairman of the MCAD declared that the Commission "has reason to believe that there exists a pattern of both overt and covert discrimination" in the building construction industry in Massachusetts. These complaints are now being litigated.

In his testimony before the foregoing advisory committee, Mr. Herbert Hill, National Labor Director of the NAACP, outlined some of the techniques of discrimination allegedly practiced nationwide by the building trades unions:

During 1963, 1964 and 1965 the Nation witnessed demonstrations by Black workers at public construction sites in many cities . . . to get the laws against racial discrimination in employment on public works contracts enforced. Although these demonstrations did not succeed in their purpose . . . (they) . . . did provoke many official investigations of the pattern of racial exclusion in the building industry and in the construction trade unions . . .

. . . All these studies reached three general conclusions:

(1) Negroes are virtually excluded from construction as apprentices and journeymen, except in the lower paid unskilled and semi-skilled jobs, because of union restrictions and widespread racial discrimination by the AFL-CIO building craft unions.

(2) Contractors have allowed the unions to control access to jobs through union hiring halls and other forms of union controlled referral systems that limit job openings to union members.

(3) Government officials at all levels have failed or refused to enforce the laws against employment discrimination in public construction.

In the construction industry trade union racial practices are the decisive factor in determining the status of Negro workers. The basic operational characteristic of craft unions in the building and construction trades is that they control access to employment by virtue of their rigid control of the hiring process . . .

A nationwide survey of union racial practices published by *Look* Magazine in November, 1968 noted that there were but 58 Black apprentices in twenty-six trades throughout the entire state of Massachusetts. The report noted that "union control" of apprenticeship programs remains a major bar to Black progress . . . The situation in Massachusetts is typical of what exclusionary practices achieve . . .

Prior to the passage of . . . the Civil Rights Acts of 1964, labor unions used their extensive powers to eliminate or limit Black workers as a group from competition in the labor market by a variety of methods . . . (now illegal) . . .

Although some isolated progress has occurred, the broad patterns of racial discrimination remain intact. But two new phenomena have

emerged: where once they were openly racist and acknowledged to be such, these practices have now become covert and subtle. New testing devices and non-job-related qualifications, although nondiscriminatory on their face, exclude Negroes just as effectively as did the "white only" clauses of the past. Separate racial seniority provisions in union contracts which were once clearly designated as "white" and "colored" lines of promotion now continue to operate through a series of euphemisms which mean exactly the same thing. The nomenclature has changed but the consequences for Black workers remain the same.

The second new development is to be found in the way many labor unions have responded to the requirements of the new body of law prohibiting discriminatory racial practices, in the use of what has become known as "tokenism", that is, a means of preserving old patterns as a tactic to evade genuine compliance with the law . . .

. . . But although, now for the first time, the federal courts are providing clear legal definitions of what constitutes racial discrimination in employment, administrative remedies still are blocked as many labor unions continue their defiance of the law and attempt to defend their traditional . . . practices in complex court challenges. The legal departments of many labor unions are now busily engaged in introducing a tangle of procedural legal questions in an attempt to prevent change by a rear guard holding action in the courts . . .

Spokesmen for organized labor have repeatedly stated, both publicly and privately, that Negroes are not refused admission into the craft unions because of their race or color but because they are "not qualified" . . .

Although there have been a plethora of press conferences and press releases pledging new affirmative action programs to end the shameful pattern of Negro exclusion from union membership and from union controlled apprenticeship training programs the pattern is not altered. At best, there has been a shift from total exclusion in certain crafts to mere tokenism.¹

Complaints re Apprentice Training Practices. The relatively small extent of non-White participation in apprentice training programs in Massachusetts was cited as symptomatic of the problem faced by Black persons seeking employment in the construction industry.

Currently, these apprentice training programs must meet certain

¹ National Association for the Advancement of Colored People, *Testimony of Herbert Hill, National Labor Director, National Association for the Advancement of Colored People, Before the Massachusetts State Advisory Committee, United States Commission on Civil Rights, Hearings on Contract Compliance in Federal Construction, U.S. Court House, Boston, Mass., June 25, 1969, 30pp.*

minimum standards prescribed by statutes administered by the Division of Apprentice Training in the State Department of Labor and Industries (G.L. c. 23, ss. 11E-11L). An eight-member State Apprentice Council¹ advises the Commissioner of Labor and Industries and the Director of the Division of Apprentice Training concerning (a) policies for the administration of the Apprentice Training Law, (b) the adoption and revision of related rules and regulations, and (c) the establishment of standards for apprenticeship agreements. With the approval of that Council, the Director may establish "local and joint apprenticeship committees", which may also be set up under the provisions of collective bargaining agreements. These committees are usually composed of management and union representatives, the former normally appointed by the employer or his association, while the latter are often elected by the union membership. In the building trades, apprenticeship committees are set up on a local basis by each trade within each of its bargaining areas, rather than statewide. Each committee conducts its own apprentice training program.

The Division of Apprentice Training has promulgated no standards controlling the testing procedures which local apprenticeship committees use in determining the "qualifications" of applicants for admission to their training programs. Thus, such procedures remain a wholly local matter, subject to collective bargaining arrangements within each trade in each area of the state. Usually, to be qualified, applicants must possess a high school diploma and must pass both written and oral tests. An apprenticeship committee may utilize the services of a professional testing company or of a state agency such as the Division of Employment Security for written or aptitude tests of applicants, while the oral interview is conducted by the committee itself.

In testimony before the State Advisory Committee to the Federal Civil Rights Commission, spokesmen for Black organizations complained that subjective factors were being given excessive weights

¹ The eight members of the Apprenticeship Council include the Assistant Director of the Division of Employment Security, the Director of the Division of Vocational Education, three "employers" named by the Commissioner of Labor and Industries with gubernatorial approval, and three "employees" so named (G.L. c. 23, s 11E).

in the oral or interview portions of these tests, to the detriment of minority group apprenticeship applicants. These factors include points awarded for the "motivation" and "attitude" of the applicant, and his use of "leisure time". Black organizations also protested that testing procedures of the apprenticeship committees are "middle class white oriented", favoring residents of the suburbs which have better schools than those available to inner city Blacks and Puerto Ricans.

In support of these views, Urban League spokesmen cited data revealing that in June 1968 only 58 of the 3,134 apprentices then in programs of the building and construction trades were non-white. However, more recent statistics for April 1969 furnished to the Legislative Research Bureau by the Division of Apprentice Training, and reprinted in the following Table 7, show a total of 81 non-White apprentices among 3,750 building trades apprentices then in training.

Data supplied by ten Boston area locals of building trades unions to the State Advisory Committee to the Federal Civil Rights Commission revealed that their Black journeymen members comprise a very small percentage of their total membership from as little as $\frac{1}{2}$ to 1% in any union to over 3.8% in another). As this data has not been finally processed by the federal committee it is not detailed in this report. However, generally speaking, the Black members ranged from as few as six out of 1,258 journeymen in one union local to about 35 out of 230 journeymen in another such local.

Response of the Building Construction Industry

Basic Position of Building Trades Unions. In response to the foregoing criticisms by Black organizations, spokesmen for the building trades unions and their supporters acknowledge that the numbers of Black and Puerto Rican apprentices and journeymen in the Massachusetts building construction industry are extremely low. However, union spokesmen point out that this condition is not peculiar to the construction industry, and is part of a nationwide pattern of limited participation by members of minority groups in many vocations and professions in other sectors of employment as well. Union officials stress that the AFL-CIO is

Table 7. — White and Non-White Building Trades Apprentices Under Massachusetts State Apprentice Training Program, April 1969

Trade	Total	Apprentices	
		White	Non-White
Asbestos worker	49	47	2
Bricklayer	292	288	4
Cabinetmaker	75	75	—
Carpenter	437	419	18
Cement mason	40	35	5
Electrician	772	757	15
Glazier	5	5	—
Iron worker (structural)	162	161	1
Lather (Wood & metal)	38	38	—
Painter	91	81	10
Plasterer	25	25	—
Plumber	431	418	13
Refrigeration, air conditioning & oil burner mechanic	87	87	—
Resilient floor layer	24	23	1
Roofer	60	60	—
Sheet metal fabricator	7	7	—
Sheet metal worker	353	350	3
Sprinkler fitter	56	56	—
Steamfitter	245	243	2
Structural steel fabricator	10	10	—
Tile layer	10	10	—
Universal equipment operator	108	101	7
Other trades	373	373	—
Totals	3,750	3,669	81

Source: Division of Apprentice Training, Mass. State Department of Labor and Industries.

committed to doing its share in ending the longstanding injustices and deprivation visited on minority people by slavery, unequal opportunities in education, "custodial" welfare programs, and racism. But they warn that the severe social and economic problems generated over the years for the Black population by this condition cannot be corrected overnight.

While union officials declare their desire to open up employment opportunities to unemployed residents of model neighborhoods and other areas, they emphasize that programs to this end must be consistent with (a) the union's first obligation to protect the

seniority and job security of its members, (b) the capacity of the labor market to absorb newly-trained skilled craftsmen, and (c) the maintenance of standards of craftsmanship. If minority citizens are to be helped in a real way, union officials say, they must be trained to the same level of competence as White citizens, so that there will be no suspicion in the minds of employers that a Black craftsman is an inferior craftsman who has received his certificates on a "charity" basis. Furthermore, it is argued, apprenticeship must offer the trainee a reasonable prospect of employment, and not funnel him into a trade already suffering from significant unemployment. In any event, unions doubt that Blacks, any more than Whites, can be transformed into "instant" skilled craftsmen as — in their opinion — Black organizations seem to suggest.

Apprenticeship Tests. Officials of the State Division of Apprentice Training attribute the present low rate of participation by Blacks and Puerto Ricans in apprenticeship programs of the building construction industry to factors other than racism. Among the more important factors cited by these officials are (a) the failure of these minority group members to apply in greater numbers for admission to apprentice training, and (b) the educational deficiencies of many Black applicants. The latter educational shortcomings include the lack of a high school diploma by reason of being a drop-out or otherwise, or poor public school preparation, either of which severely handicaps these applicants in taking their aptitude and other written tests. In the more skilled of the building trades especially, applicants need a good foundation in mathematics.

Division officials consider the use of oral or interview tests, as part of the overall procedure for testing applicants for apprentice training, to be reasonable and sound so long as the ethnic or religious status of the applicant is not considered in rating him. These officials state that an applicant's "motivation" or "attitude" toward his appearance, his work and his prospective trade are indeed subjective and intangible elements, but ones nevertheless important to the apprenticeship committee in evaluating his chances of completing the apprentice training program successfully.

Representatives of the building trades unions point out that the lack of the usual job experiences is a major handicap to the hard-core unemployed, especially Blacks. Without some psychological preparation as to the basic demands of the trade, a candidate for apprentice training from this group is greatly handicapped and will face difficulties in getting into the construction industry or any other line of gainful employment. Apprentices without the personal work discipline to show up for work on time, to avoid malingering and to take care of their tools are not likely to survive the training course.

Accordingly, union officials feel that the thrust and purpose of the apprentice training programs and restrictions applying thereto are misunderstood by critics who envisage the construction industry as a "make-work substitute for the WPA." They accuse such critics of wishing to scuttle standards in order to promote "racial quotas" in the hiring of construction workers, as others allegedly wish to debase college standards to foster the admission of unqualified minority group students to institutions of higher learning. Hence, the unions contend that the building trades have a duty to the public to assure that wiring, plumbing, fabrication and other construction work is performed by competent workmen.

In this general regard, the building trades unions claim the same fundamental right exercised by other types of organizations to judge the qualifications of their own membership applicants, with due attention to the anti-discrimination statutes.

Affirmative Action by Building Trades Unions and Contractors. Within the past two years, the Building and Construction Trades Council of Boston in cooperation with management have formulated at least three programs to increase non-White employment in the construction industry. These programs reflect the judgment of leaders of the building trades unions as to the kinds of pragmatic basic steps necessary (a) to facilitate contractor compliance with federal "affirmative action" requirements of Presidential Executive Order No. 11246, (b) to comply with both the letter and the spirit of federal and state anti-discrimination laws, (c) to meet the requirements of the Model Cities Law *re* the employment

of model neighborhood residents, and (d) to accommodate criticisms voiced by Black organizations and civil rights groups.

Of the three programs, the first was a "Construction Career Day" which was to be conducted early in 1968 to alert high school guidance staffs, high school students and the minority community to employment possibilities in the construction industry and to apprenticeship programs. As envisaged, the "career-day" would be addressed to a reduction of high-school drop-out rates, especially among minority group young people. The "career day" plan collapsed when it failed to receive adequate support from Black community leaders. Currently, the Apprenticeship Information Center of the State Division of Employment Security in Boston is recruiting potential building trades employees in that city's high schools, including those in "ghetto" areas.

Subsequently, the Building and Construction Trades Council tried unsuccessfully to initiate an "Apprentice Outreach Program" for active recruitment of Black and other non-White young men into the construction industry in the Boston metropolitan area, similar to 49 "outreach" programs in 49 other American cities. The program was to be undertaken under an agreement with the Opportunities Industrialization Center of Greater Boston (O.I.C.), aided by a federal subsidy from the United States Labor Department. However the plan failed to win the support of the Black community in Boston because of disputes over complaints of "tokenism." Objections were raised to provisions of the program *re* (a) the age range for trainees, (b) educational requirements, (c) the absence of guarantees assuring admission to apprentice training of all candidates who passed the entrance tests, (d) the granting of permits, and (e) public information procedures.

Thereafter, with consultant assistance, the Building and Construction Trades Council formulated its third program in its "Urban Housing and Model Cities Agreement for Boston and Cambridge" with the Associated General Contractors of Massachusetts (A.G.C.) and the Building Trades Employers' Association of Eastern Massachusetts (B.T.E.A.), signed on August 16, 1968.

Construction Industry Model Cities Agreement

Provisions of Agreement. The Urban Housing and Model Cities Agreement for Boston and Cambridge, hereinafter referred to

briefly as the "Construction Industry Agreement," is a private contract entered into by certain unions, contractors and other employers in the construction industry in the Boston metropolitan area "for the purpose of establishing an affirmative action program for urban housing and model cities." By the terms of the agreement, reprinted in full in Appendix D, it is —

... binding upon all unions of the Building and Construction Trades Council of Boston and all contractor members of the A.G.C., B.T.E.A., and Participating Specialty Contractors Employers Associations and other Employers or Unions that may sign the agreement (Art. I).

Neither the Cities of Boston or Cambridge, or their model cities agencies, are signatories to this compact.

The Construction Industry Agreement is operative when signed by the contractor or builder for a specific project and the Administrative Committee created by Article I thereof. The agreement "shall run from year to year" and "may be extended for the duration of work on a specific project" for not more than 18 months. Contractors who are bound by the agreement must require their subcontractors to conform to it, so long as this does not "disturb" the "historical subcontracting practices of the industry in the locality." (Arts. VIII-IX).

The Agreement establishes two committees to implement its provisions, namely: (a) an *Administrative Committee* consisting of two representatives of the Building and Construction Trades Council, one designee of the A.G.C. and one appointee of the B.T.E.A.) and (b) an *Operations Committee* composed of two representatives of the Building and Construction Trades Council, one appointee of the A.G.C., one designee of the B.T.E.A. "or the Participating Specialty Contractors," and "two representatives of the minority community" whose method of selection is not specified (Art. I).

The Administrative Committee, which has no minority community members, is charged with the responsibility of seeing "that this affirmative action program is carried out." To that end, it may (a) contract with individuals and community organizations "for the purpose of recruiting, counseling and orientation," (b) make "necessary changes in the best interest of the program," and (c) advise the Operations Committee. In addition,

the Administrative Committee must assist in resolving disputes arising over the administration of the agreement, and is also required to submit the proposed minimum wages of trainees and advanced journeyman trainees in the program to the United States Labor Department for approval (Arts. I, IV and VII).

The Operations Committee, acting in concurrence with the apprenticeship committee of each craft concerned, must determine "the experience equivalency" of each applicant for participation in the training program authorized by the Construction Industry Agreement. It has the further duties of (a) instructing trainees and advanced journeymen trainees on industrial safety procedures, (b) reviewing pay rates of trainees, and (c) assigning trainees and advanced journeymen trainees to on-site work with particular crafts (Arts. I and III).

The terms of the Construction Industry Agreement apply —

. . . to the rehabilitation work on residential structures in urban areas involving the use of governmental funds, in whole or in part, or governmental guarantees, subsidies or low interest, in demolition, repair, alterations and rehabilitation operations . . . (and) . . . new construction of low-cost housing, up to and including four stories. This agreement may also be applied to other specific projects in Model Cities Areas and contiguous urban renewal areas by mutual agreement of the parties (Art. II).

The agreement establishes a program for the recruitment of "residents in the area under development" as (a) trainees, (b) advanced journeymen trainees, and (c) fully qualified mechanics or laborers.

Residents without construction experience may be hired in the "trainee" category at not less than the starting union wage for apprentice in their chosen craft, provided that they meet the apprenticeship standards of that craft. Trainees are to hold that classification for no more than six months, at which point they may be reclassified as "advanced journeymen trainees" if they can "demonstrate qualifications" (Art. III).

Residents possessing construction work experience but lacking the qualifications required of mechanics and laborers in the construction industry may be employed as "advanced journeymen trainees" at full union apprentice wages, and must be given pref-

erence over trainees in employment opportunities. The agreement stresses that the "end goal of the Advanced Journeyman Trainee program is to develop fully qualified and competent craft union journeymen" (Art. III).

The Construction Industry Agreement exempts trainees and advanced journeymen trainees from apprenticeship age ceilings. It establishes a uniform ratio of one trainee or advanced journeyman trainee per four journeymen where such journeymen are resident in the area. This ration may be reduced to 1:3 where there are insufficient resident journeymen to maintain the 1:4 quota. The contractor retains control as to the size of his work force and allocation of work to his employees, subject to his collective bargaining agreements (Arts. III and V).

Applicants for "trainee" and "advanced journeyman trainee" are to be assigned to an outreach program established under the Construction Industry Agreement. Additional training may be provided to them by contractors, unions and governmental agencies, as part of the overall program. Procedures for preliminary on-site work training are provided on an individual counseling basis (Art. III).

If a resident of the area is a fully qualified mechanic or laborer, he must be hired at the full union rate specified in the collective bargaining agreement for his trade. Furthermore, he is to be "available for full union membership" (Art. III).

Other provisions of the agreement define jurisdictional lines, provide for labor-management consultation to implement the agreement, regulate the settlement of disputes, and forbid strikes or lock-outs over the terms of the agreement (Arts. V-VII).

Workers Defense League Training Program. To implement the policies of the Construction Industry Agreement, the Administrative Committee entered into a contract with the Workers Defense League — A. Philip Randolph Educational Fund, Inc., in November 1968 under which the latter organization is (a) to train 150 residents of the Boston "ghetto" in the building crafts, and (b) to recruit and place 50 minority group apprentices. The Workers Defense League — A. Philip Randolph Educational Fund, Inc., hereinafter referred to briefly as the "Workers Defense

League," is a New York non-profit corporation which is engaged in a number of similar training programs throughout the nation receiving federal financial assistance from the United States Department of Labor. Approximately \$227,000 of federal funds have been made available to the Workers Defense League project in Boston by that department.

In a recent letter to HUD the Workers Defense League gave the following report of the status of its Boston Training Program as of June 1969:

The WDL/APREF program is a pre-Model Cities Training Program applied to all public construction in the Boston Model Cities and Urban Renewal Areas. Special note should be made of the fact that this is the first attempt by both contractors and unions to help minority workers enter the construction industry through a route other than apprenticeships . . .

. . . (The Workers Defense League Program) . . . calls for hiring local residents at three skill levels: mechanic; advanced journeyman trainee; and trainee. (This in contrast to the usual age and educational requirements of traditional apprenticeship programs).

Trainees move up the ladder to journeyman status as fast as their ability permits. (Traditional programs provide for six month promotions only). All wages are determined on the basis of each craft's existing wage and include fringe benefits. Trainees receive half of the journeymen wage (as do beginning apprentices), and advanced journeymen trainees receive anywhere between that and the journeymen wage depending upon skill and background.

Determinations as to wages and experience are made by the Operations Committee . . . (One of the community representatives is Chairman of the Manpower Committee of the Boston Model Cities Board). The Operations Committee . . . requires that each advanced journeyman trainee receive a union card, and *all* trainees get union cards as soon as they move to advanced status. The promotion usually occurs within one month and can take no longer than three months . . .

The program has placed fifty-seven men in the trainee and advanced trainee categories. Of these men forty have received union cards, and seventeen have become journeymen in the various trades. The Boston Redevelopment Authority and the Public Facilities Department of Boston have agreed to include the program as a bid requirement in all construction being built in the Model Cities and Urban Renewal Areas. We require a four to one ratio of journeymen to trainees as opposed to the traditional eight to one ratio . . . The program's trainees are at work in four building developments: Roxbury Civic Center; Rose and Camfield Gardens Housing Developments; and Grove Hall Library . . .

The program has two basic purposes: First, to see that contractors and unions will have sufficient minority workers once the model cities

work actually starts; second, that at the end of our program the men have a marketable skill, not just a union card . . .¹

At the present time, the Boston project of the Workers Defense League is providing training to Black and Puerto Rican residents of the Boston ghetto. Within another year, that training program will be opened to minority group residents of the Cambridge model neighborhood, according to officials of the League.

In testimony before the State Advisory Committee to the Federal Civil Rights Commission, Mr. Fred M. Ramsey, Executive Director of the Building and Construction Trades Council of Boston, indicated that efforts by the construction industry to enter into similar training compacts with Boston community organizations had failed because of disagreements with the Urban League and other local Black groups.

Relationship of Construction Industry Agreement to Official Boston Model City Program. As originally proposed to the Boston City Council by the Boston Model City Administration in October 1968, the Boston application for federal financial assistance for a "Comprehensive City Demonstration Program" provided for the training of 2,000 model neighborhood residents as construction workers to participate in the construction and rehabilitation of structures in that neighborhood during the first three to five years of the program. The proposal further stipulated that—

The Model Neighborhood Board is in a position to endorse, reject, complement or replace the existing programs in this field. It may choose to coordinate and/or assist any or all existing efforts, or to stimulate the organization of new ones.

In effect, the proposed model city plan would have excluded the building and construction trades unions from a voice in the model city employment scheme, except to the extent determined by the Model City Administration and Model Neighborhood Board.

At hearings before the Urban Renewal Committee of the Boston City Council, the spokesmen for model neighborhood groups de-

¹ Letter to Mr. Floyd Hyde, Ass't Secretary for Model Cities, U.S. Department of Housing and Urban Development, from Messrs. Rowland Watts, President of the Workers Defense League and Bayard Rustin, Executive Director of the A. Philip Randolph Educational Fund, Brooklyn, N.Y., June 9, 1969; 3pp.

mandated that the building and construction trades unions be denied a controlling role in the employment program since their alleged discriminatory practices over many years had injured Black people, depriving them of fair employment in the construction industry. The Construction Industry Agreement was denounced as "tokenism," and evidence that the unions could not be trusted, because it authorized only 200 trainees a year or 1,000 such trainees over a five year span as contrasted with the 2,000 trainees called for in the model city proposal. In the opinion of the Urban League and the Model City Administration, the 2,000 trainee figure was justifiable on the basis of the total Boston population, and was necessary to meet the Model City Law requirement of maximum employment opportunities for model neighborhood residents.

Critics of the proposal, including the Building and Construction Trades Council and the Associated General Contractors of Massachusetts, protested that the 2,000-trainee goal was unrealistic in terms of the actual and anticipated demand for various types of construction craftsmen in the Boston area. They also charged that the proposed plan could be interpreted to bar union labor and union contractors and their subcontractors from construction under the jurisdiction of the Model City Administration; hence, they felt that the scheme was tainted with "union-busting" features. Opponents of the model city proposal favored the incorporation of the Construction Industry Agreement into the official Boston Model City Plan as the basis of its employment program.

Subsequently, on the recommendation of its Urban Renewal Committee, the Boston City Council revised the employment provisions of the Model City Plan to reflect a compromise of these conflicting views and interests. As finally approved by resolution of the City Council on November 25, 1968, the employment provisions of that plan:

- (1) Require the Model City Administration to "work for acceptance of a significant number of qualified area residents into existing building unions, and for admission of substantial numbers into the apprenticeship programs";

- (2) Directs the Model City Administration to work with existing federal, state and local government agencies as well as "existing union-sponsored programs and community organizations carrying out

related activity" in regard to job-training and employment of model neighborhood residents (Among the programs specifically enumerated on this score is the "Workers Defense League/Boston Program");

(3) Requires that as construction projects are generated by the Model Cities Program in Boston, the Community Development Corporation manpower team, controlled by the Model Neighborhood Board, shall "evaluate periodically, at least annually, the job opportunities existing throughout the metropolitan area," including the model neighborhood, "and relate the employment opportunities on construction projects in the . . . (model neighborhood) . . . to these total job opportunities";

(4) Requires the employment program, under the control of the Model Neighborhood Board, to assure job training of model neighborhood residents at a level of skill sufficient to afford them opportunities for long-term employment in the building industry throughout Greater Boston and beyond; and

(5) Stipulates that "the contract governing the Workers Defense League/Boston Program is not to be interpreted to exclude any member of the signatory organization from voluntarily entering into any additional training or construction programs in the Model Neighborhood." The Model City Administration is instructed to "cooperate with the Workers Defense League/Boston Program to the extent possible, within the Guidelines and policies of the Model Cities Program" relative to maximum resident job opportunities.

As amended, the plan further provides that the Model Neighborhood Board "is in a position to endorse or complement the existing" employment programs in this field. It may coordinate or assist "any or all existing efforts" and "stimulate the organization of new ones."

Thus, the City Council sought to provide a role for the Construction Industry Agreement in the Model City Program, without incorporating it in that program as an official commitment of the city. Hence, the agreement sets a minimum guideline for the job-training effort, with additional trainees possible on authorization by the Model City Administration and Neighborhood Board in consultation with the unions and employers. However, the consultation requirement affords no veto to the two latter groups over decisions of the model city agency to increase the numbers of trainees where warranted by labor market conditions.

Disputes Over Construction Industry Model Cities Agreement

The merits of the Construction Industry Agreement were debated sharply by proponents and opponents during the hearings

before the State Advisory Committee to the Federal Civil Rights Commission in June of 1969, and in their conferences with the staff of the Legislative Research Bureau.

Basic Positions of Proponents and Opponents. Proponents, including spokesmen for the building and construction trades unions and their allies, asserted that the agreement represents a good-faith effort and commitment on their part to bring minority group workers into the construction industry as equals of White craftsmen, at a rate which the industry can absorb them in terms of available work. These proponents consider the agreement and arrangements stemming therefrom to be reasonable and realistic, and ask that the industry program be given a fair trial period by the government, the minority community, member unions and contractors. Officials of the building trades unions complain that the program would make more progress, were it not for "carping criticism" and "obstructionist opposition" by the Urban League and NAACP.

Opponents of the Construction Industry Agreement, including the Urban League and NAACP, reply that the agreement is a subtle scheme on the part of the building and construction trades unions and cooperating union contractors to keep Black and Puerto Rican employment at a bare minimum, while reserving the "lion's share" of construction employment (particularly the best jobs) for White workers. Hence, the agreement is seen as a move to preserve old "exclusionary" practices behind a facade of "tokenism." Accordingly, the NAACP has announced its intention of seeking judicial invalidation of the agreement on the grounds (a) that it does not afford "maximum opportunities" for employment of model neighborhood residents as required by the Model Cities Law of 1966 and (b) that it perpetuates "exclusionary" union practices forbidden by the Civil Rights Act of 1964 and Presidential Executive Order No. 11264 of 1964.

The text below summarizes arguments pro and con specific aspects of the Construction Industry Agreement *re* (1) community control of model cities employment, (2) numbers of minority workers authorized, (3) the objectivity of the selection process, (4) the four-story and area limitations, and (5) enforcement.

Community Control of Model Cities Employment. The Urban League, the NAACP and the predominantly-Black United Community Construction Workers Union charge that the Construction Industry Agreement represents an effort by "outside lily-White" labor organizations and contractors, and their "political allies," to dictate the labor policies of the Model Cities Programs to the city government and the Black Community. For this reason they denounce the agreement as a presumptuous and arrogant exercise of economic and political power which flies in the face of local self-determination of model neighborhoods and of the policies of the Model Cities Law.

These critics complain that the "compromise" revisions of Model City Plan employment provisions by the Boston City Council are vague and favor the building and construction trades unions more than the Black and Puerto Rican communities. It is argued that the Plan, as amended, leaves the unions and their alleged union contractors substantially in control of the employment program notwithstanding provisions authorizing the Neighborhood Board and its *alter ego* Community Development Corporation to provide additional employment training programs. At the hearings before the State Advisory Committee to the Federal Civil Rights Commission, the spokesmen for the Urban League bluntly demanded that the training of model neighborhood people in the construction trades be taken out of the hands of "the racist unions and contractors" and be vested in the model cities agencies and neighborhood groups

In reply, union spokesmen express concern over the "all or nothing attitude" of their Black critics, and insist that the control of the model city employment program in Boston resides clearly with the Model City Administration and Neighborhood Board. They argue that the Construction Industry Agreement is subordinate to the requirements of the Model City Plan approved by the Boston City Council. They contend that model cities officials can "disestablish" the agreement for all practical purposes whenever it is being used unlawfully to impair the fair employment rights of any minority groups. Union officials regret "extreme attitudes" on the part of their critics which seem to condemn

the unions as "racist" for disagreeing in the slightest with Black leaders.

Numbers of Minority Workers Authorized. Proponents of the Construction Industry Agreement defend its annual goal of 150 trainees and advanced journeymen trainees and 50 apprentices as warranted in terms of available training personnel and labor market conditions. They point out that an enlargement of the Workers Defense League program is permitted both by the agreement itself and by the employment provisions of the Boston Model City Program. These advocates of the agreement contend that a larger training program is not justified at this time, and that the 2,000-trainee figure proposed originally by the Model City Administration would saturate the construction labor market, forcing wages down for both Whites and non-Whites alike.

Black organizations reply that certain of the Boston area trades are experiencing major labor shortages, notably of bricklayers, carpenters, cement finishers, electricians, ironworkers, construction laborers, plumbers and sheet metal workers, according to surveys by *Engineering News Record*. As a consequence, some contractors now use Canadian carpenters for dry wall work. And, say Black groups, artificial labor shortages have been "manufactured" by the building and construction trades unions which force up the costs of constructing housing and other facilities needed in the model neighborhoods. Accordingly, the Urban League and others insist that the 2,000-trainee goal is reasonable, and that the Construction Industry Agreement is merely an evasive device to perpetuate labor shortages at the expense of Black and Puerto Rican people. Further, they contend that the agreement lacks "credible guarantees" of expansion to include more than 200 minority workers per annum; hence, it is alleged that the 200-man figure will serve both as a floor and a ceiling to the construction industry commitment in actual practice.

Objectivity of Selection Process. Black organizations, including the NAACP and the Urban League, complain of a "lack of objectivity" in procedures for selecting trainees and apprentices both under the Construction Industry Agreement and the traditional apprenticeship program. They point out that, under the foregoing

agreement, the recruiting of trainees is controlled by the Administrative Committee where membership is divided evenly between union and contractor representatives, without representation for the Black and Puerto Rican communities. The Operations Committee, which determines the "experience equivalency" of applicants, has a union-contractor majority and is considered "stacked against Blacks" by civil rights groups. A similar charge is levelled by Black organizations against the local apprenticeship committees of the various trades which, in Black eyes, are responsible for the long exclusion of non-White minority workers for the construction industry.

Accordingly, Black and civil rights organizations demand that both the traditional apprenticeship program, and the training programs authorized by the Construction Industry Agreement, be replaced by an apprenticeship program administered and controlled by "more objective" public agencies rather than by labor-management entities. They urge that such "objective programs" in model neighborhoods be either administered or controlled by the respective model city agency, and subcontracted to community groups. In addition, Black groups insist that the present use of such subjective factors as "motivation" and "attitude" as factors in tests of applicants for job training either be eliminated altogether or given very small weight (under 5%) in determining the applicants' overall test scores. Finally, these groups urge an appropriate governmental review of testing procedures to keep them updated and free of "invidiously discriminatory features."

On the other hand, defenders of the building and construction trades unions protest against any scheme which would place governmental agencies, whether model cities agencies or otherwise, in control of the qualification of applicants for union membership and of admissions of new members to the unions. In their view, the proposals by Black organizations go far beyond the prevention of discrimination and would infringe on the basic freedom of association which unions share with other organizations in American society. It is argued that the Black proposals, applied to Blacks themselves, would justify a government authority to determine who might belong to the NAACP and other civil rights groups to the end that they include, for example, given

numbers of John Birch advocates. Furthermore, union officials ask how "objective" a training and apprenticeship program will be if it is controlled by model city organizations responsive to "Black Power" pressures.

On this score, union officials complain of "reverse racism" on the part of some militants who have demanded Black employment disproportionate to the ratio of Black to White residents of the model neighborhoods. In contrast, the Urban League has requested that the construction work force in the Boston model neighborhood attain a goal of 17% Black and 3% Spanish-speaking employment.

The construction industry holds that its recruitment and training program under the Construction Industry Agreement is being administered objectively by the Workers Defense League and that much of the testing of applicants for admission to training is conducted by the Apprenticeship Information Center of the State Division of Employment Security.

Four-Story and Area Limitations. Vigorous exception is taken by Black organizations to Construction Industry Agreement provisions limiting its recruitment and training program to (a) housing rehabilitation, including demolition, (b) the construction of new housing not exceeding four stories in height, and (c) "other specific projects in Model Cities Areas and contiguous urban renewal areas by mutual agreement of the parties." The latter "parties" consist of the unions, contractors and building trades employers signatory to the agreement.

In the opinion of the Urban League and other civil rights groups, these provisions are discriminatory in that they will tend to "protect" the exclusion of more than a token number of non-White workers from employment on all high-rise construction in the model neighborhood and urban renewal zones as well as major construction elsewhere in the city. Hence, the agreement is said by its critics to violate "flagrantly" the Model City Law, the federal and state anti-discrimination laws and regulations, and the employment provisions of the official Boston Model City Plan approved by the Boston City Council.

Supporters of the Construction Industry Agreement respond that

as non-Whites progress through the various stages of training and apprenticeship to become full-fledged union craftsmen, they will be available for any union contract job whether within or outside the model neighborhood and urban renewal areas. It is argued that the limitations as to building heights and as to geographical areas of application of the agreement simply reflect the inability of the unions and contractors to solve all difficulties everywhere in the city at once. Furthermore, union officials and contractors emphasize that the agreement must be administered in harmony with all applicable statutes and governmental regulations. They accuse critics of jumping prematurely to conclusions (a) that the agreement will not be administered fairly, and (b) that its programs will not be expanded in the future if the more limited present programs prove successful.

Enforcement. In hearings before the State Advisory Committee to the Federal Civil Rights Commission, spokesmen for civil rights organizations expressed great dissatisfaction with the efforts of federal and state agencies to secure compliance by contractors with the anti-discrimination and equal employment opportunity clauses of their contracts for federally financed construction. Black spokesmen charged that contract compliance enforcement by these agencies was more often than not ineffective and uninspired; and they attributed this official failing to the relationships between organized labor and public officeholders at all governmental levels, and to alleged "racist" attitudes of some public officials.

Black groups extend their concern on this score to the Construction Industry Agreement, which provides for self-policing by the Administrative Committee (which lacks model neighborhood representation) and by the three signatory organizations. The agreement is binding only on building trades unions belonging to the Building and Construction Trades Council and to contractors and employers who are members of the A.G.C. and B.T.E.A.; other construction unions, contractors and employers are not subject to its requirements until such time as they see fit to participate. Civil rights authorities feel that much stronger enforce-

ment procedures, including an effective comprehensive contract compliance system, are required.

Accordingly, the NAACP has urged legislative action to require that governmental agencies award contracts only to firms with an integrated work force. The NAACP proposal would outlaw the use of hiring halls as an exclusive source of labor supply for any such construction work, and would require that construction contracts stipulate a specific number of non-White workers to be employed, consistent with the racial composition of the community in which the work is to be done.

The National Labor Relations Act, and rules made thereunder by the National Labor Relations Board, permit the use of union hiring halls by the building and construction trades, subject to prohibitions against racial and religious discrimination (which constitute actionable unfair labor practices). Few construction unions report the use of formal hiring halls in the Boston area. More commonly, the collective bargaining agreements between building and construction trades unions and Boston area contractors allow informal hiring hall practices, under which the contractor may hire employees wherever he can find them, with or without consulting the union business agent; however, non-union employees so recruited are normally required to join the union after a fixed period of employment (about seven days). The latter "informal hiring hall" system reflects labor shortages in many trades in this part of the Commonwealth.

The Mayor of Boston, Hon. Kevin H. White, has established a Contract Compliance Board to insure that the hiring practices of contractors engaged in municipal work are non-discriminatory. The administrator of the Boston Model City Administration and the Director of the Boston Redevelopment Authority are among its seven members. The Board has recommended the inclusion of a standard "affirmative action" provision in all city contracts for construction costing more than \$2,000, which would require that —

1. The contractor and all subcontractors shall have significant minority group representation at all skill levels in all categories of their work forces throughout their work under this contract.
2. The contractor and all subcontractors shall, when advertising for employees, do so in such a manner as will effectively alert po-

tential minority group applicants for employment of job openings, job training opportunities and the like.

3. The contractor and all subcontractors shall recruit employees from minority groups and employ them at all skill levels in all categories of their work forces.
4. When notified from time to time by the contracting city agency, the contractor (or the contractor and any subcontractor) shall confer with the agency for purposes of evaluation and review of compliance with the requirements of this section.
5. Simultaneously with each filing of the monthly periodic estimate for payment, the contractor shall complete and file with the contracting agency and shall cause each subcontractor to complete and file with the agency a compliance report in the form required by the agency.

(a) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, the compliance report shall include such information as to such labor union's or agency's practices and policies as the contracting agency may require, provided that to the extent such information is within the exclusive possession of a labor union or agency, referring workers or providing or supervising apprenticeship or training and such labor union or agency shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of his compliance report, and shall set forth what efforts he has made to obtain such information.

(b) The city agency awarding the contract may require that the contractor or subcontractor shall submit, as part of his compliance report, a statement in writing, signed by an authorized officer or agent on behalf of any labor union or any agency referring workers or providing or supervising apprenticeship or other training, with which the bidder or prospective contractor or sub-contractor deals, with supporting information, to the effect that the signer's practices and policies do not discriminate on the grounds of race, color, religious creed, national origin, sex, age, or ancestry and that the signer either will affirmatively cooperate in the implementation of the policy and provisions of this section or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the contract shall be in accordance with the purposes and provisions of this section. In the event that the union or the agency shall refuse to execute such a statement, the compliance report shall so certify and set forth what efforts have been made to secure such a statement, and such additional factual material as the contracting agency may require.

6. The contractor and each subcontractor shall post in conspicuous places at his place of business and at the job site and shall send to each labor union or other representative of workers with which he has a collective bargaining agreement or other contract or un-

derstanding a notice which shall be provided by the contracting city agency which shall set forth the contractor's and subcontractors' obligations under this section.

Reportedly, these requirements are to control city construction work other than in the model neighborhood; contracts for construction of the latter category are to be regulated by special provisions yet to be formulated by the Model City Administration along comparable lines.

Advocates of the Construction Industry Agreement believe that the agreement fulfills the type of contract compliance program outlined above, and that the city government will be an active and effective force for a genuinely non-discriminatory administration of that agreement. Hence, these advocates regard as wholly inaccurate claims that the agreement is policed only by the signatory Building and Construction Trades Council, A.G.C. and B.T.E.A.

Employment Programs of Other Massachusetts Model Cities

Information received from the eight other model cities agencies in Massachusetts reveals that their employment programs for neighborhood residents are, in most instances, in the formative stage. In general, while factors found in the Boston situation are present in the other eight localities, they appear to be of a lesser magnitude in most cases if, for no other reason, than that the Black and Puerto Rican populations involved are less numerous.

Cambridge. The ordinance creating the Cambridge City Demonstration Agency (CDA) and regulating that community's Model City Program contains no provision relative to the employment of model neighborhood residents in model city construction work. Representatives of the CDA report that non-Whites comprise only a little more than 10% of the model neighborhood population, and that little construction is called for in the first year of the program; consequently, the minority employment issue is not a crisis there as yet. The CDA has taken no official position concerning the Construction Industry Agreement, but is following the Boston developments.

New Bedford. The proposed Comprehensive City Demonstration Program submitted to HUD by the New Bedford Model Cities Ad-

ministration, with City Council approval describes an extensive Concentrated Employment Program¹ being undertaken throughout that city by the local community action agency:

CEP is relatively new in New Bedford and is expected to assist a thousand enrollees during its first year of operation. CEP has been funded for approximately \$2 million for the fiscal year, and, as of early April 1969, its eighth month of intake, has recruited over 600 trainees. It has placed 104 and has an overall dropout rate of 10.4 percent. The CEP target area is considerably larger than the Model Neighborhood because of conditions existing in the City which require more widespread attention. The CEP operation focuses on the hard core unemployed and under-employed. To date one of this organization's biggest problems has been getting employers to commit jobs for CEP graduates.

In the near future CEP will, contingent on funding, begin a New Careers program for 42 poverty level and disadvantaged persons. Initial career areas will be in the fields of Welfare, Law Enforcement, and Education. The innovative aspect of this program is the built-in-career ladder that allows advancement to newly created and meaningful careers within two years and in many cases access to professional status over the long run. Combining on-going training with work experiences is the mechanism which allows such career development.

Hopefully this program can be quickly expanded to open up careers in many more areas in addition to the three initial ones. The population of New Bedford and its variety of institutions certainly has the potential for development as of many more New Careers opportunities than presently programmed. Also some consideration should be given to lowering the age requirement to allow those under 22 the same opportunity.

Portuguese-speaking people from continental Europe, the Azores and the Cape Verde Islands, and their descendants, comprise over 60% of the model neighborhood population. In addition, the area includes significant Puerto Rican and Afro-American minority populations. These population groups suffer a high rate of unemployment. In discussions with the Legislative Research Bureau staff, officials of the New Bedford Model Cities Administration stated that discrimination is a major problem for members of these ethnic groups seeking employment, and that much needs to be done to increase their participation in the construction industry.

¹ This program is under the supervision of the Manpower Administration of the United States Department of Labor (42 U.S.C. 2571-2620; P.L. 88-452; P.L. 90-636).

One such official advocated a law requiring unions engaged in public construction to earmark no less than 5% of their apprenticeship training openings for Black and Puerto Rican residents of the city.

Springfield. The ordinances establishing the Springfield Model Cities Agency empower its neighborhood — elected Policy Board to approve all contracts for work in the model neighborhood before they are let. Furthermore, no such contract may be awarded to any firm which discriminates against minority groups in its employment practices.

Contracting Opportunities for Neighborhood Firms

In testimony before the State Advisory Committee to the Federal Civil Rights Commission, NAACP Labor Director Herbert Hill urged that —

Special consideration be given to Black-owned construction companies in bidding procedures. Throughout the nation consortiums of Black-owned construction companies have been formed which are now effectively in operation. The NAACP has directly sponsored a nationwide consortium of Negro-owned companies entitled *The National Afro-American Builders, Inc.* These Negro-owned and controlled enterprises employ over ninety-five percent of the skilled Black craftsmen in the building trades. Giving a preferential status to Black contractors is the only realistic way of guaranteeing that a substantial number of Black craftsmen will be employed on Model Cities and publicly funded construction.

Model cities officials report that efforts to provide model neighborhood contractors with a greater share of public contracts in Massachusetts are hindered by statutes which favor the large, experienced firm over small firms in the award of these contracts. These statutes require contracts for state, county and local projects for the construction, reconstruction, alteration, remodeling, repair or demolition of buildings and structures to be awarded to the "lowest responsible and eligible bidder on the basis of competitive bids" (G.L. c. 7, s. 30D; c. 29, ss. 8A-8B; 149, ss. 44A-44L). This same requirement pertains also in respect to state public works projects generally (G.L. c. 29, ss. 8A-8B), state purchases of supplies (G.L. c. 7, s. 22), and school busing contracts (G.L. c. 71, ss 7A). Similar provisions relative to municipal contracts are found in some local charters.

Counties are not required to award contracts to the lowest responsible and eligible bidder, except in the case of building projects (G.L. c. 34, s. 17; c. 149, ss. 44A-44L).

The courts allow considerable latitude to the contracting government agency to determine which low bidders are "responsible" and "eligible" in terms of past performance, present financing and equipment. Ghetto-owned firms, lacking extensive equipment and financial resources in comparison with White competitors, are likely to be held "ineligible" or "not responsible" by the agency officials. Yet, according to model cities authorities, there is a need for Negro-owned firms in the ghetto, and for ghetto sharing in this contracting business. Hence, some model cities officials suggest that different procedures are necessary to permit this development, such as a state program paralleling the Federal Small Business Administration assistance to smaller contractors on Federal projects.

In line with this thinking, the Federal Advisory Commission on Inter-governmental Relations has proposed a model state law allowing preferential treatment for firms located in economically-depressed areas designated as such in a "State Urban Plan":

One device which some States may wish to consider as an aid in achieving better geographic distribution of economic and population growth is the adaptation of their procurement practices to stimulate growth and development of particular cities and regions.

The receipt of a contract in a rural growth area, or in a labor surplus city neighborhood, can generate employment where it is needed and have a multiplier effect as supporting activities are developed. It is critically important that such a proposed preferential public contract policy be implemented selectively. If it is not administered specifically to promote balanced economic development and urbanization, it can become so widely available as to give a publicly subsidized private advantage, without any accompanying public benefits, and destroy the obvious gains made in many States through uniform purchasing practices.

The following draft legislation, therefore, should not be enacted by a state that does not have an official state plan for urban growth which designates those rural growth areas and labor surplus areas in which public contractors are to receive preferential treatment.

Legislative criteria for determining which areas should be the beneficiaries of such a preferential purchasing policy would need to be consistent with the State urban development plan. The purchasing policy would then be a tool for implementing the state plan. The legislative criteria should designate the areas where population im-

migration and economic growth are to be encouraged or discouraged and should be specific, in order to avoid challenge on the grounds of unconstitutional delegation of powers. The criteria might, for example, include reference to population size and the trend of population growth in communities to be given preference.

Successful implementation of a preferential purchasing policy will require aggressive administration, not only by state purchasing officials but also by the state industrial or economic development agency, where one exists. The purchasing agents will have to pursue a positive policy of soliciting bids from the desirable growth areas. The development agency's role should be to seek out and encourage potential bidders in such areas to take advantage of their preferential position.

Section 1 of the draft bill declares that the purpose of the legislation is to encourage a better geographic distribution of economic and population growth consistent with state urban growth policies. Section 2 provides that in awarding state contracts for goods and services, the state purchasing officer shall give a credit to bids or offers on whatever amount of goods or services are to come from those rural growth areas or labor surplus city neighborhoods designated by the state urbanization plan. This practice would not discriminate among businesses, since a large firm located in another city can get a credit if the goods are produced or the service performed in a designated rural growth center or labor surplus city neighborhood. Added cost to the state will not equal the credit offered, as such credit is given only in the evaluation of bids or offers and not in a dollar addition to the offer or price.¹

Aside from the foregoing considerations, model cities officials have observed that there is a need to develop contracting firms oriented to rehabilitation and not to new construction alone. Reportedly, contractors and building trades unions are interested primarily in new construction, with the result that contracts for rehabilitation work may go begging if there is a heavy load of new construction and a shortage of union craftsmen available for rehabilitation work.

For these reasons, programs being developed by model cities agencies emphasize the formation and encouragement of contracting firms owned by residents of the model neighborhood.

Public Transportation

Model Cities Transportation Needs

In their discussions with the Legislative Research Bureau staff,

¹ U.S. Advisory Commission on Intergovernmental Relations, *ACIR State Legislative Program — New Proposals for 1969*, M-39, Washington, D.C., June 1968, 125 pp. At page 512-1.

officials of Massachusetts model cities agencies stressed the importance of adequate moderate fare mass transportation services to the successful rehabilitation of blighted urban areas and their populations. These officials point out that there must be an effective "commuter link" between urban renewal and model neighborhoods, on the one hand, and employment sites in other parts of the inner city and its suburbs, if real inroads are to be made in the unemployment problem of the poor. In that sense, the "commuter transportation problem" is seen as a two-way proposition, *viz*: (a) of suburban residents who desire to commute to work in the inner city, *and* (b) of inner city residents who need access to employment opportunities throughout the metropolitan area.

Model cities officials note that while the Model Cities Program strives for maximum economic development of model neighborhoods, employable residents and job trainees cannot all be assigned to work in those neighborhoods. At the same time, businesses which have migrated to the suburbs or which have developed there experience labor shortages in certain lower pay grades because the suburban housing patterns, real estate tax burden and cost-of-living militate against a large resident suburban labor force.

Model cities authorities contend that a properly-developed mass transit system which provides the low-income populations of the inner cities with access to places of employment at a reasonable fare will (a) open up job opportunities to the urban poor, (b) stimulate business growth by connecting customers with markets, and (c) ease the traffic control and highway construction problems of both the core cities and their suburbs.

Regional Approach to Problem

Accordingly, authorities interested in the Model Cities Program favor the development by the General Court and the executive branch of the state government of a state mass transportation program, to which the Model Cities Program can be related.

They suggest that in the 79-community metropolitan Boston transit district served by the Massachusetts Bay Transportation Authority (MBTA)¹ consideration be given to the extension of rapid

¹ This agency was created by Acts of 1964, c. 563 (adding a new Chapter 161A to the General Laws).

transit lines to more suburban employment sites, the possibilities of better "circumferential" transit service, and improved tie-ins of the transit system to the model neighborhood. Currently, the MBTA, in cooperation with community groups, is operating a temporary "employment bus service" from the Boston model neighborhood to industrial-business districts along Route 128 in the suburbs, with the assistance of a \$45,000 grant from the Urban Mass Transportation Administration in the Federal Department of Transportation.¹ On a six-month trial basis, five busses depart to the suburbs in the morning, and four provide return rides in the afternoon to the model neighborhood. Only modest usage of the service is reported so far.

Model cities officials of some localities not in the MBTA district urge consideration of the formation of "little MBTA" regional transit systems to provide commutation for inner city workers to suburban work sites, and to stimulate the development of the total areas of which the model cities are a segment. In 1964, Governor Endicott Peabody proposed such regional transit agencies for ten other non-MBTA urban areas, namely: (1) Attleboro, (2) Brockton, (3) Fall River, (4) Fitchburg-Leominster, (5) Lawrence-Haverhill, (6) Lowell, (7) New Bedford, (8) Pittsfield, (9) Springfield-Chicopee-Holyoke, and (10) Worcester.² However, his proposals on this score were not enacted into law.

Current Transportation Studies in Massachusetts

Currently, at least three permanent state agencies and two special commissions have been authorized to study mass transportation problems, including those of Massachusetts model cities.

The Bureau of Transportation Planning and Development in the State Department of Public Works, by statute the Commonwealth's "principal source of transportation planning," must conduct transportation studies and demonstration projects in cooperation with federal and other government agencies, and with priv-

¹ 49 U.S.C. 1601; Urban Mass. Transportation Act of 1964; P.L. 88-365.

² Senate, Nos. 820 and 830 of 1964.

ate organizations.¹ It is responsible for the "continual preparation of comprehensive and coordinated transportation plans and programs" for submission to the State Public Works Commission and other bodies. The Bureau reports little contact to date with model cities agencies, but is working intensively with other state agencies and with regional planning commissions to coordinate the planning of highway, transit, airport and harbor facilities.

Studies relative to the improvement of the MBTA system are being conducted (a) by that agency's planning staff pursuant to the MBTA organic act and legislative study directives,² and (b) by a Special Commission on MBTA Operations and Finances under the leadership of Sen. James R. McIntyre of Norfolk (Chairman) and Rep. John J. McGlynn of Medford (Vice-Chairman).³ Senator McIntyre is also chairman of a special commission authorized to study the feasibility of creating a State Department of Transportation to "handle all transportation problems."⁴ At the time of writing of this report, the latter study commission was inactive because its House members had not been named as yet.

The State Department of Community Affairs is authorized to assist the foregoing planning activities relative to mass transportation, as an incidental part of its general statutory duties.⁵

Public Health Facilities and Services

Public Health Problems in Model Cities

The problems of health services and health care facilities are not peculiar to the model cities or even to the municipalities in which model city areas are located. Inasmuch as many health deficiencies result from other adverse conditions some of which are regional in their reach, efforts to deal with these problems only within the model cities themselves are likely to produce meagre results.

The model city, its parent or core city and the whole region suffer adverse public health consequences from substandard hous-

¹ G.L. c. 16, s. 3A.

² G.L. c. 161A, ss. 3 and 5; Resolves of 1968, c. 90.

³ Resolves: 1967, cc. 126, 135, 145; 1968, c. 1; 1969, cc. 5, 37, 38 and 39.

⁴ Resolves: 1968, c. 81; 1969, c. 5.

⁵ G.L. c. 23B, s. 3.

ing. The failure of local governments to enforce health and building safety laws and ordinances produces infested structures, disease-breeding toilet and other unsanitary facilities, personal injuries from unsafe staircases, and other health blight. Non-enforcement of code requirements accounts for a high accidental injury rate among children in lower income housing. Because the present state laws prescribe protracted procedures for litigating violations of code requirements, it may take as much as two years to bring a negligent landlord to account in the courts. These delays, and the failure to apply penalties of sufficient weight, give the slum landlord a considerable advantage. Hence, officials connected with the Model Cities Program urge a major revision of the laws on code enforcement to assure swift, effective action against violators. Unless this is done, housing will continue to depreciate in the cities, with a resultant spreading of blight and of blight-related health problems, no matter how much federal and state aid is involved. Some of these officials urge Massachusetts to emulate European nations which have effective standards of habitation and building maintenance, apply stiff penalties to violators, and provide tax incentives for maintenance expenditures by building owners to meet those standards.

The environmental health problems of model cities and their regions are vastly more important than the health care problems which attract the most immediate public attention. They transcend municipal boundaries; are a matter of state and regional concern and cannot be solved within the model city's districts alone. The most significant of these environmental health problems are (1) air pollution, (2) water pollution, and (3) solid waste disposal. Because of depressed land values, industry tends to locate in decadent housing areas. Fumes from plant operations, the burning of residual matter and related activity pose serious health hazards by contamination of the atmosphere. The careless discharge of industrial and other waste into streams, lakes and other sources many miles distant from the model cities area jeopardizes a supply of potable water. Dumps in certain parts of the urban area are a major health hazard to nearby residential districts, and pose an attractive nuisance to children. Such dumps in the core cities add substantially to blight and generally are

located near poor housing areas. Joint operation by several communities of a regional solid waste disposal facility is recommended by public health authorities as an appropriate corrective measure.

The State Department of Public Health is studying the environmental health needs of the state, with a view to developing an over-all state program.

Weaknesses in Model Cities Health Planning

The Model Cities Program encourages experimentation and innovation in the solution of problems of blighted areas. However, some authorities complain that it is an exercise in frustration, as practiced in Massachusetts, because of local obstructions, the absence of regional approaches, and underfunding. As previously indicated, the model city agencies in Massachusetts suffer severely from a lack of adequate numbers of trained professional staff. Without adequate health specialist assistance, plans prepared for submission to local legislative bodies may be poorly drafted and may be hastily-conceived in certain of their elements.

In the opinion of state health officials, the model city agencies generally lack adequate funds for the improvement of public health in their respective areas. Their health programs are said to be microscopic, in that they cover only a small geographical and population segment of the whole municipality or region. Insofar as health care facilities and health services are concerned, the model cities deal piecemeal with a regional problem. The Springfield model city agency is attempting to relate its health and other programs to the Lower Pioneer Valley Regional Planning District, to which the City of Springfield belongs.

The health programs of model city agencies are directed primarily to furnishing personal health services to model city residents, and are weak in respect to environmental health problems. The Office of Economic Opportunity (OEO) has assisted by setting up neighborhood health services. In some cases clinics have been organized, but some health specialists consider them unrealistic because of inadequate funding and the lack of technical personnel. In general, health authorities state that the better approach is the creation of an information and referral bureau on a multi-service basis, to refer persons with medical needs to the appro-

priate clinic or hospital and to arrange for the meeting of other needs of the sick person (legal advice, care for children at home, etc.). Public health experts believe the best approach is the regional one, in which an areawide clinic is established at a major hospital located on a public transit route. Good transportation to the clinic is vital if it is to be accessible to the poor, especially the elderly, who cannot afford a motor car.

State health authorities report that the Boston Model City Agency is in a better position than most to provide a good health program, since universities, hospitals and civic organizations are ready and able to help, and more health personnel are available in the vicinity. Springfield is developing a plan whereby Wesson Memorial Hospital, on the edge of the Model City area, is organizing an out-patient department and program which is to begin operating in 1970.

Many health care services, including such programs of the Model Cities Program, depend on Medicaid to pay their costs. In this connection, the state must determine what services are reimbursable, along with setting rational and realistic standards governing the scope, content, frequency, and level of these services. Recent disclosures of abuses in the Medicaid Program, and the very sharp increases in health care costs following the enactment of Medicaid legislation, have brought heated public demands for changes in that Program. While emphasizing that state standards could curb abuses arising in these areas, health authorities warn that corrective measures ought not be so severe that they deny basic medical help to the poor, especially in the Model Cities.

Reorganization of Massachusetts Public Health Services

In the view of many public health specialists, public health, as a technology and service, has outgrown most Massachusetts municipalities. These critics argue that insofar as local administration of public health services is warranted, more beneficial results would be forthcoming from a network of regional health agencies, each centered on a major city medical facility. Some municipal health departments are excellent while others have much to be desired as far as effective health services are concerned. Critics contend that the continued reliance of local health depart-

ments on the real estate tax, in competition with other more powerful agencies such as the schools, fire departments and police departments, has had a damaging effect on municipal health services. Local legislative bodies have been reluctant to appropriate the sums required for a good health program because of voter opposition to property tax increases, or for other reasons such as ideological or political opposition to particular health measures (fluoridation) and to effective health inspections of residences and businesses.

In addition to these difficulties, municipal health services are divided among several departments in Massachusetts cities and towns. Thus, in addition to its board of health or health commissioner, a municipality may also have a separate board to manage its hospital, if it operates such an institution. Further, school health programs are carried out under school committee jurisdiction by doctors and nurses employed by that committee. Local school health services leave much to be desired, and fall far short of statutory goals; often, the medical examinations of students are superficial; and school nurses are not allowed to give medication to the children without first obtaining a physician's approval, even for minor ailments.

The State Department of Public Health has tried to cope with these deficiencies by promoting the formation of regional health districts (G.L. c. 111, ss. 27B-27C). The relevant statute permits the formation of such districts on a voluntary basis by two or more communities, allows the participating communities to develop their own formulas of cost-sharing in the district compact, and authorizes a 50c per capita state grant in aid for capital improvements (construction, etc., of facilities). Unfortunately, such state grants have not been forthcoming; and no grants toward regional health district operations have been provided to stimulate their formation.

The degree of cooperation between the model city agencies and municipal health departments varies, according to state health officials. In some communities the city health department reportedly has made only minimal efforts to be of assistance. Similarly, some municipal health departments express little interest in regional health solutions. With some significant exceptions, counties are

of little help in meeting health needs, because so few of them have boundaries which make sense for the administration of health and other regional services. In the absence of a workable regional governmental entity, either the state or local governments must assume the responsibility for public health administration.

The State Department of Public Health has established its own administrative districts centered on state hospitals which in most instances were tuberculosis hospitals: (1) the Northeastern District, with Tewksbury State Hospital as its headquarters; (2) the Central District, headquartered at Rutland State Hospital; (3) the Southeastern District, with Lakeville State Hospital as its center; and (4) the Western District, with offices at Amherst and Pittsfield. Often, state hospitals are located in isolated rural areas, inaccessible by public transportation to the cities where the great concentrations of people are. In the opinion of some health administrators, the State Public Health Department should base its services on state hospitals located within central city areas.

Critics of the present organization of state, municipal and private hospitals say that it is very inefficient. In their opinion, there is duplication of services, and in certain areas — such as premature infant care — hospitals are trying to provide services which they are not properly staffed and equipped to handle. To the extent that these conditions exist, they contribute to a waste of funds and personnel, against an illusion of good health services. For these reasons, some public health specialists argue that the hospital system of Massachusetts must be overhauled in a major way if the public health needs are to be met at reasonable cost. Under such a reorganization, some hospitals may have to be closed; others may have to work out a "division of labor" whereby one hospital in a city specializes in certain types of care, while other city hospitals handle other specialties, so as to eliminate duplication and to improve the scope and quality of services. In essence, it is argued, Massachusetts needs a hospital master plan to which state capital outlay and other expenditures for health services can be related.

Public Schools

Two Model Cities School Issues

Two major issues have arisen in regard to the public schools in blighted urban areas of Massachusetts which merit limited mention here, namely: (1) "neighborhood control" of the schools located in urban renewal and model cities areas, an issue of significant concern only in Boston at the present time; and (2) equalization of the educational opportunities of inner city children with those of children in schools elsewhere in the Commonwealth. These are very complex questions, each of which is a vast study in itself. Limitations upon the time available for the preparation of this report permit only the following outline discussion of the issues involved.

Neighborhood Control of Schools

Basic Issue and the Boston Model City Program. In Boston, as in New York and some other large American cities, demands have been voiced by Black organizations and other groups for some degree of decentralization of the massive, monolithic city public school systems. Proponents of such schemes wish to give the voters of historic neighborhoods and of Black and other "minority" areas a significant voice in the administration of their neighborhood schools. Proposals on this score range from a mild demand for neighborhood advisory committees attached to such schools, to substantive proposals for the division of the city into semi-autonomous neighborhood school districts, each governed by its own board of education or school committee with the power to hire personnel and to set school policy.

Thus, the Boston Model City Plan, as originally proposed to the Boston City Council in October 1968, called (a) for the establishment of locally-elected "parents' councils" at schools in the model neighborhood and (b) for the creation of an area-wide School-Community Advisory Council composed of representatives of the parents' councils. The latter body would study means of decentralizing the administration of model neighborhood schools to a neighborhood-elected school board which would have authority, within the scope of standards set by the Commonwealth and by the Boston School Committee, to establish neighborhood school edu-

cational and personnel policy. The former parents' councils were to be modelled on the experimental locally-elected school-community council created at the King-Timilty schools in Roxbury by cooperative action of neighborhood organizations, the United States Office of Education, the State Department of Education, the Boston School Committee and Greater Boston area colleges and universities; this demonstration project is aided by federal grants under the Elementary and Secondary Education Act of 1965.

The foregoing model cities proposal encountered objections from the Boston School Committee to any dilution of its authority and responsibilities for setting public school policy in the city; and the Boston Teachers' Union vigorously opposed the idea of decentralizing control of school personnel administration, for the fear that it would compromise the interests of union members under collective bargaining. In New York City such union objections to "local control" programs has sparked three paralyzing strikes by school teachers during 1968.

To meet these objections, the Model City Plan was revised by the City Council to reaffirm the complete authority of the Boston School Committee over city schools within and outside of the model neighborhood. However, provision was made for the creation of school-community advisory councils modelled on the King-Timilty council, each such council to serve one junior high school and the elementary schools of that district. The proposed areawide School-Community Advisory Council was retained, but references to a study by it of the creation of a neighborhood school board with substantive authority was evidently dropped. Instead, the amended educational provisions of the Model City Plan state that groups of parents for all schools in the neighborhood are to be organized "to work with the existing school system". Beyond that the Plan declares that —

The drive toward forming new levels of local responsibility for schools is also important because success in this effort indicates two things. One, the system is changing to meet the needs of the community. Two, a successful locally influenced school is an indication of the competence of the community to deal with its own problems and a willingness to invest in a reasonable governmental system . . .

Community interest and willingness to move in education is centered on the program of increasing local responsibility. Curriculum

change, modification of the use of existing facilities, and teacher development are now centralized functions, in which the community desires to participate more fully.

Thus, for the moment, Boston retains its unified school system, and there is no movement back to the days when Brighton, Charlestown, Dorchester, Hyde Park, Roxbury and West Roxbury sections of Boston were independent municipalities with their own school committees.¹

Arguments For and Against Neighborhood Control. "Neighborhood control" advocates claim that the public school systems of the larger cities have developed into "bureaucratic empires" which suffer from institutional, professional and "city hall" politics, as well as red tape and an increasing degree of remoteness from the people. Proponents of neighborhood control see in the very large school system the manifestation of the rule of ancient philosophers that "Man is writ small when the State is writ large". Neighborhood control advocates complain that the large monolithic city school systems have failed with the result that the schools in disadvantaged neighborhoods have been allowed to deteriorate as to plant, faculty and programs. Black and other minority leaders assert that this deterioration has been accelerated by racial bias generated by ethnic block politics, and by taxpayer resistance to new school expenditures which must be financed from real estate taxes.

Opponents of the concept of "neighborhood control" of the schools voice no strong opposition to the establishment of neighborhood committees with advisory powers only. However, they object vigorously to any division of the city into autonomous school districts with the power to appoint school personnel and to set educational policy. Such measures are described by opponents as an effort to dismantle and balkanise public education in the city. Unless some kind of city school committee is retained as a governing entity over these neighborhood school boards, with certain central staff functions in regard to personnel, purchasing, budget-

¹ These cities and towns were annexed to Boston in the following sequence: 1867, Roxbury; 1869, Dorchester; 1873, Brighton, Charlestown and West Roxbury; 1911, Hyde Park.

ing and special services, opponents foresee duplication, inefficiency and waste exceeding that complained of by city taxpayers under existing conditions. Citing the experience of New York City, opponents predict severe difficulties in collective bargaining between the school management and school employee unions if the personnel function is decentralized.

Finally, critics of a decentralized neighborhood-oriented city school system say that it would pose perplexing financing problems. If any part of the costs of a neighborhood school district are to be financed by a district real estate tax, the poorer districts embracing blighted areas would suffer by reason of their more restricted tax bases. If such district costs are to be absorbed in one city-wide budget, a citywide school committee or other agency must be authorized to review and modify the budget requests of component neighborhood school districts, since such districts could not write "blank checks" on the city treasury without damaging results to the educational program of the whole city; this situation would stimulate political "log-rolling" between neighborhood school districts competing for funds, and between those districts and the central city authority responsible for coordinating educational expenditures and keeping them within manageable bounds.

State Policy re Unified Local School Systems. For more than a century, the Massachusetts statutes have centralized in one school committee in each city and town and exclusive responsibility for establishing local educational policy within statutory standards, fixing the level of school expenditure¹ and hiring personnel for the local public schools (G.L. c. 71, s. 37). This practice was established after an unsatisfactory experience earlier in the Nineteenth Century with statutes which permitted towns to divide into two or more independent school districts; such laws allowed the more affluent areas of a town to form their own school district, leaving the poorer neighborhoods to struggle with minimal

¹ With but a few exceptions, appropriation requests of school committees in localities outside of Boston may not be reduced by the city council or town meeting, and must be voted as proposed (G.L. c. 71, s. 34). In Boston, however, the School Department does not enjoy such fiscal independence from the City Council and Mayor.

financial resources. In all Massachusetts cities and towns municipal school committees are elected by the voters: in most instances, committeemen are all elected at-large (G.L. c. 41, s. 1, et al.); a minority of five cities have charter provisions under which school committee members are elected to represent wards (Beverly, Chicopee, Holyoke, Northampton and Westfield).

Since 1949, the statutes have authorized two or more towns to form regional school districts for the purpose of constructing, acquiring and operating regional schools. These laws do not authorize the partitioning of any city or town to form such a school district. The method of choosing members of the regional school committee, and the formulas for dividing the burden of regional school costs among member towns of the district, are prescribed by the regional school compact negotiated by the participating communities (G.L. c. 71, ss. 15-16B).

Home Rule Amendment of 1966 and the Schools. The Home Rule Amendment (HRA) to the Massachusetts Constitution, ratified by the electorate in 1966,¹ apparently confers authority upon cities and towns to reorganize their school committees, subject to such statutory requirements as the General Court may mandate.

The HRA provides procedures whereby local voters may adopt charter changes affecting the organization of their municipal government upon recommendation of a locally-elected charter commission or upon recommendation of the city council or town meetings (HRA, ss. 1-4). Such changes may not be "inconsistent" with the State Constitution and statutes. In addition, the HRA stipulates that —

Section 6. Governmental Powers of Cities and Towns. — Any city or town may, by the adoption, amendment, or repeal of local ordinances or by-laws, exercise any power or function which the general court has power to confer upon it, which is not inconsistent with the constitution or laws enacted by the general court in conformity with powers reserved to the general court by section eight, and which is not denied, either expressly or by clear implication, to the city or town by its charter. This section shall apply to every city and town, whether or not it has adopted a charter pursuant to section three.

Section 7. Limitations on Local Powers. Nothing in this article shall be deemed to grant to any city or town the powers to (1) regulate

¹ Mass. Const., Amend. Art. II, as revised by Amend. Art. LXXXIX of 1966.

elections other than those prescribed by sections three and four; (2) to levy, assess and collect taxes; (3) to borrow money or pledge the credit of the city or town; (4) to dispose of park land; (5) to enact private or civil laws governing civil relationships except as an incident to an exercise of an independent municipal power; or (6) to define and provide for the punishment of a felony or to impose imprisonment as a punishment for any violation of law; provided, however, that the foregoing enumerated powers may be granted by the general court in conformity with the constitution and with the powers reserved to the general court by section eight; nor shall the provisions of this article be deemed to diminish the powers of the judicial department of the commonwealth.

Speaking of this general grant of power to the 39 cities and 312 towns of Massachusetts in its *First Report*, the Special Commission on Municipal Home Rule observed that —

In nearly all home rule states, the public school system is treated as a state function in which local participation is allowed only to the extent in laws enacted by the state legislature. Local school departments in most instances are regarded as extensions of the State Department of Education, and hence are beyond the scope of constitutional municipal home rule.

In recent years, Massachusetts has been moving toward a state-oriented educational system. A clear-cut definition of the relative powers and the responsibility of the state and its municipalities for education may now be necessary under the home rule amendment, if the Commonwealth's home rule policies are to be dovetailed with the progressive policies of the recently-enacted Willis Law.¹

Since the ratification of the HRA by the voters, the General Court has enacted no law which states whether the local school departments are "state" or "municipal" in character. Past decisions of the Supreme Judicial Court have suggested the "state" character of the local school committees, or at least underscored their independence from control by the municipal legislative body in most matters.² The impact of the new HRA upon the status of school committees has not been adjudicated as yet by the Supreme Judicial Court.

¹ Mass. Special Commission on Implementation of the Municipal Home Rule Amendment to the State Constitution, *First Report*, Senate, No. 846 of 1966; 56 pp. At pp. 28-29.

² *Rinaldo vs. Dreyer*, 294 Mass. 167 (1838); *Sweeney vs. City of Boston*, 309 Mass. 106 (1941); *Gorman vs. City of Peabody*, 312 Mass. 560 (1944); *Hayes vs. City of Brockton*, 313 Mass. 641 (1944); and *Molinari vs. City of Boston*, 333 Mass. 394 (1956).

However, court decisions to the contrary notwithstanding, the ordinary citizen of Massachusetts regards his local school committee as a municipal department. The schools are referred to as the city or town "school department" both by school authorities and other municipal agencies; and school appropriations are made by the city council or town meeting as part of the regular municipal budget. School committee candidates appear on the ballot at municipal (not state) elections. Accordingly, a strong interest is manifested by local people in their schools, and there is resistance to increased state control.

Accordingly, some educators, including former State Education Commissioner Owen B. Kiernan, feel that there is a need for legislation which will clarify the state *vs.* municipal status of the public schools so far as local home rule powers go. They urge that a liberal "mixed" policy be embraced by the General Court which will (a) forbid localities to adopt charter provisions, ordinances or by-laws which infringe any statutory power conferred on local school committees, *but* which will (b) grant cities and towns specific authority, within broad limits, to provide in their home rule charters for different methods of organizing and choosing their school committees than those now provided by general law and (c) authorize a broad "home rule" interpretation of local school committee powers. However, no significant support has been encountered in educational quarters for any scheme of neighborhood school committees other than those with advisory powers alone.

Equalizing Educational Opportunities

In their conversations with the Legislative Research Bureau staff, authorities concerned with the Model Cities Program indicated that in Massachusetts the task of providing equal educational opportunities to culturally deprived children is complicated by (1) the Racial Imbalance Law, (2) the limited geographical areas of the model neighborhood and the city of which it is a part and (3) the continued Massachusetts practice of financing the major share of school costs from the local property tax. These three factors interact in various ways.

Racial Imbalance Problems. The Racial Imbalance Law, which withholds state financial assistance from schools characterized by

"de facto segregation", is causing problems in the model cities not only in terms of emotional politics but in a practical sense as well (G.L. c. 71, ss. 37C-37D). If a school, is to be a neighborhood facility, it may be racially imbalanced if the neighborhood is so imbalanced by reason of housing patterns and other socioeconomic causes.

If the imbalanced community is small, the student population can be balanced without too much difficulty through the revision of attendance district boundaries, and voluntary bussing procedures. However, if the community is large both in terms of population and area, imbalanced schools may result in spite of all redistricting efforts, and because involuntary bussing is forbidden by the Massachusetts Racial Imbalance Law and may not be required by federal authorities under the Model Cities Law. Parents of elementary school ghetto children are concerned about the long day and long bussing distances which may be involved in shuttling these small youngsters across the city or even out of the city to predominantly White schools. Moreover, White families may move if their area is incorporated in a "ghetto" school attendance district, thereby causing the school to revert to an imbalanced state, endangering state financial assistance and enlarging the imbalanced neighborhood.

The matter is complicated also by the division of opinion in the Black community over (a) neighborhood-controlled neighborhood schools and (b) providing racially-balanced integrated schools through bussing.

Some "Black Power" advocates express doubt that truly integrated schools can be achieved and maintained as such because of "White racism" and the practical difficulties of trying to compel Whites to remain in an integrated school attendance district if they don't wish to be there. Accordingly, Black Power groups insist that the answer lies in Black-controlled Black neighborhood schools. They seek, in that respect, to emulate other minority groups which used their own neighborhood institutions to climb to economic and political power.

Integrationists, on the other hand, condemn the "neighborhood school" concept as being no more valid when championed by Black Power "extremists" than when it was advanced by "White

separatists". In their view, integration may come slowly, but come it must, or the minority community will be left with a neighborhood-controlled educational wasteland. Integrationists forecast that predominantly Black schools under a parochial Black administration would be financial orphans in a non-Black city, and citadels of bitterness and declining educational standards in which teaching personnel would hesitate to work.

Metropolitan Equalization of Educational Opportunities. In the judgment of some integrationists, the Racial Imbalance Law fails because it tries to solve the problem of *de facto* segregation within the boundaries of individual cities, whose territory in Massachusetts is usually small compared with cities in many other states. Hence, it is argued that the desired balancing of inner city schools — including those of model neighborhoods — can be achieved only on a metropolitan basis, in conjunction with a metropolitan approach to the housing problem. Model cities officials tend to agree with this view.

A metropolitan approach to school administration appeals to model cities authorities, specialists in intergovernmental relations and many educators for financial reasons as well. They cite a model law, proposed by the Federal Advisory Commission on Intergovernmental Relations, for the establishment of Metropolitan educational equalization authorities as follows:

Shortcomings in educational programs resulting from the unequal distribution of tax resources and the unequal costs of educating children can be tackled by marshalling resources within a region rather than the entire state. If a state does not provide a fully effective statewide program for equalizing opportunity, a limited or metropolitan approach offers a method for supplementing a deficient state aid program. This metropolitan educational finance measure is designed to deal with one of the most pressing social problems of our time—the need to design a system for financing education that enables all school districts within the metropolitan area to implement the concept of equal educational opportunity. While the disparities between central city and suburbs claim most public attention, any one familiar with the fiscal landscape of suburbia is keenly aware of the fact that it does not present a uniform picture of affluence. On the contrary, suburbia fairly bristles with contrasts between rich, poor, and middle income jurisdictions.

To create a financial environment that contributes substantially to equality of educational opportunity, four remedial financial steps should be taken.

1. To eliminate the accidents of local property tax geography, the . . . (proposed model law) . . . would subject all taxable property within the metropolitan area to a basic school levy and thereby largely remove the possibility that industrial enclaves and local fiscal zoning will shield certain property from the legitimate burdens borne by the wider community for public schools.

2. To provide special assistance to those school districts confronted with the task of educating a disproportionately large number of "high cost" students (the educational over-burden problem), the formula for distributing the proceeds of the areawide tax would recognize and compensate for the unequal distribution of socially and culturally deprived students among the school districts within the metropolitan area.

3. To provide special assistance to those school districts hampered in their efforts to finance an acceptance level of education due to extraordinary tax demands for their municipal-type functions such as public safety, public welfare, and other public services and facilities (the municipal over-burden problem), the formula for distributing the proceeds of the areawide tax would give due weight to the overall local tax burden (school and non-school) borne by taxpayers in each local school district.

4. To assure that state aid to local school districts within the metropolitan area reinforces this compensatory approach, this measure would direct the head of the State education department to channel all general state aid compensatory funds for local school districts within the metropolitan region through the regional financing authority. These state aid funds could then be distributed in the same equalizing fashion as the locally derived funds are distributed among local school districts.

The proposal . . . would increase fiscal support of the schools in greatest need while keeping school policy and school administration in the hands of the area's individual school districts.

It will not interfere with the right of each local school district to (a) select its own superintendent, (b) to chart its own educational policy consistent with state law and (c) to impose a supplemental rate if it wants to underwrite a program above the areawide standard.

In order to match resources with educational needs, the proposed legislation directs the Governor to create a metropolitan educational authority if the chief educational officer of the State finds that significant disparities exist among school districts in the metropolitan area. The proposal sets forth specific guidelines for determining the existence of significant disparities between resources and educational needs.

In addition, equalization guidelines are provided for the members of the metropolitan equalization authority to follow in drawing up a specific formula for distributing the proceeds of the areawide tax among the constituent school districts. The guidelines place heavy emphasis on the need to compensate for both educational and municipal over-burden factors.

To insure that a substantial degree of equalization is effected, the draft legislation sets forth a "standby" distribution formula that becomes operative unless representatives of the local school boards representing at least 80 percent of the school children within the metropolitan area concur in their own formula for interdistrict equalization. As an additional incentive to encourage agreement on a local formula, the draft bill provides that state aid be channeled to local districts in accordance with a local formula approved with the concurrence of representatives of school districts containing a large proportion of the combined pupil enrollment.

In some states, a constitutional amendment may be necessary prior to the enactment of this legislation . . .¹

Any effort to "metropolitanize" either school finance or school administration is bound to provoke intense resistance from outlying communities on ideological and financial grounds. Communities whose property tax burden for the support of the schools would increase under metropolitan school financing schemes are unlikely to embrace such arrangements voluntarily. Beyond that, however, is the strong feeling in suburban communities that a "metropolitan" school system will be a more costly system without necessarily being a quality school system. These critics stress that improved city services were supposed to accrue to Dorchester, Roxbury and other localities which voluntarily merged with Boston between 1867 and 1911, but on the contrary those communities now suffer from urban blight and neglected services requiring costly urban renewal and model cities programs for their correction.

School System Dependence on Local Property Tax. The continued heavy reliance of local public schools in Massachusetts upon the municipal property tax has been cited by educators and by authorities concerned with urban rehabilitation as a factor in urban blight.

The Sales Tax Act of 1966 (c.14) made major revisions in the statutory formulas for state financial assistance to the local public schools, and provided substantial increases in state assistance to localities toward their school costs. Notwithstanding that legislation, however, the local real estate tax remains the source of

¹ U.S. Advisory Commission on Intergovernmental Relations, *ACIR State Legislative Program-New Proposals for 1969*, M-39, Washington, D.C., June 1968, 125 pp; at pp. 202-1 and 202-2.

about 73.5% of all funds needed to support the public schools throughout the Commonwealth. As indicated in Table 8 below, the real estate tax must finance between 50% and 89% of school costs of the nine communities having model cities programs, under existing state aid formulas intended to reflect local need *vs.* local ability-to-pay.

Table 8. Sources of Financial Support of Massachusetts Public Schools Statewide and in Nine Selected Cities in Fiscal Year 1967

(Millions of Dollars)

<i>Jurisdiction</i>	<i>Local Revenue Sources</i>	<i>Grants and Shared Taxes</i>		<i>Other Sources</i>	<i>Total School Support</i>
		<i>State</i>	<i>Federal</i>		
All Communities	\$541.1	\$146.6	\$41.8	\$4.7	\$734.3
Boston	\$ 38.3	\$ 22.8	\$ 6.6	\$0.1	\$ 67.9
Cambridge	\$ 8.3	\$ 0.5	\$ 0.4	— ¹	\$ 9.3
Fall River	\$ 4.1	\$ 2.0	\$ 0.1	\$0.7	\$ 7.0
Holyoke	\$ 4.0	\$ 1.0	\$ 0.2	— ¹	\$ 5.4
Lowell	\$ 5.9	\$ 2.4	\$ 1.0	—	\$ 9.4
Lynn	\$ 12.6	\$ 1.7	\$ 0.7	—	\$ 15.1
New Bedford	\$ 4.9	\$ 2.0	\$ 0.8	— ¹	\$ 7.9
Springfield	\$ 17.7	\$ 3.1	\$ 2.5	\$0.3	\$ 23.7
Worcester	\$ 14.4	\$ 5.4	\$ 1.4	— ¹	\$ 21.4

¹ Less than \$100,000.

Source: Mass. State Department of Education, *Annual Report for Year Ending June 30, 1967, Part II, Section B*, Public Document No. 2, Boston, Mass., 1969; 266 pp.

The costs of local schools constitutes the largest single functional segment of the budget of each city and town in the Commonwealth, and consume the "lion's share" of local real estate tax revenues. Statewide, 62% of the real estate tax burden is attributable to the public schools, according to data supplied by the Research and Development Center of the State Department of Education; the Department indicates lesser percentages in the nine cities with model cities programs, as follows: Boston, 20%; Cambridge, 34%; Fall River, 35%; Lowell, 36%; Holyoke and New Bedford, 37%; Worcester, 44%; Springfield, 45%; and Lynn, 49%. A newly-published study, by the Massachusetts League of Cities and

Towns, of school costs in 15 selected communities revealed that their costs are increasing more rapidly than the volume of state financial assistance to the schools :

On the average, the 15 communities featured in the profiles spend \$.45 of every \$1.00 expended for education . . .

Wages and salaries consume most of the education dollar. Except in the Town of Amherst, which makes a substantial payment to support a regional school system, 62.9% to 87.3% of the education budget is for personal services. Since enactment of the municipal collective bargaining law in 1965, teachers salaries have increased significantly. According to publications of the Massachusetts Teachers' Association, the median minimum annual salary of the Commonwealth's elementary and secondary school teachers has risen from \$5,000 in 1965 to \$6,000 in 1968, a 20% increase over three years.

In addition, the amounts spent for school construction have risen dramatically as cities and towns have attempted to keep pace with rising school enrollments.

While state financial assistance for education has risen significantly since 1965 — enactment of the sales tax allows an investment of some \$120 million annually in local education programs — education spending is increasing at a faster rate. In the 15 case study cities and towns, aid to education rose 10.5% from 1967, the first full year of the sales tax, through 1969. During the same period, education spending rose by 27.1%. In 1967, unearmarked education aid constituted 18.2% of the total expended for education in the 15 cities and towns. By 1971, if present trends continue, this amount will decrease to 13.3% of the total spent for schools.

In short, the cost of public education in the cities and towns of Massachusetts have increased far more dramatically—and will continue to do so—than has financial assistance that is intended to equalize education opportunity among the communities.¹

As local school costs rise due to inflation and to increasingly sophisticated educational needs, they contribute to urban blight in at least two ways.

First of all, because the public schools enjoy a statutory "priority call" on available local funds in every community except Boston, they must be satisfied at the expense of services and capital improvements in other sectors of municipal responsibility; thus, other public needs must be dealt with on an increasingly curtailed basis as efforts are made to keep the local tax rate down through "economies" and postponed public investment in new facilities.

¹ Mass. League of Cities and Towns, *The Municipal Fiscal Crisis — An Action Program for 1969 and the 1970s*, Boston, Mass., 1969, 83 pp; at p. 5.

In this struggle for available local tax dollars, disadvantaged neighborhoods often bear the brunt of local "economy" drives, with a resulting spread of blight.

Secondly, to the extent that heavy local school costs force local property tax rates upward, they increase the costs of (a) home ownership, and (b) housing rentals, to the mounting disadvantage of low and middle income families. Likewise, they increase the costs of doing business for small neighborhood concerns, such as family stores and small shops, impairing their ability to compete with large "chain" enterprises. To meet their property tax obligation, local taxpayers may be forced to postpone necessary maintenance, with a resulting deterioration of the physical property in question. In addition, high local tax burdens, spurred by school costs, discourage new investment in the blighted area unless tax write-offs and other inducements are offered.

Consequently, within the past few years, increasing interest has been expressed by educators, planners, mayors and other authorities in ways and means whereby basic school operating costs may be wholly underwritten by non-property tax revenues, so as to ease the plight of low and middle income families, to spur housing construction, and to free education from so great a degree of involvement with the inflexible and regressive real estate levy. Advocates of such a state assumption of school costs believe that it is to be preferred over a grant-in-aid approach since, in their view, there is no such thing as a satisfactory formula for state school aid grants which will not contain some serious inequity. Opponents fear that whatever the method used, state assumption of all school costs will necessitate tight state control of school expenditures, with a resulting loss of local control of the schools and a stifling of local educational efforts to go beyond the state standards. Both proponents and opponents agree that the question merits further study.

At the present time, only one state — Hawaii — is reported to have a completely state-administered, state-financed public school system wholly divorced from the local real estate tax. The states of Delaware and North Carolina underwrite the total costs of local education but vest the administration thereof in loc-

al officials. In the remaining 47 states, including Massachusetts, the emphasis is upon (a) an increasing state subsidy to the local schools and (b) school district reorganizations and consolidations, as a means of staying or reducing the pressure of school costs on local real estate taxation.

Aside from further changes in school financing practices, educators also urge that communities make greater efforts to qualify for federal and state financial assistance to their schools under existing federal law. On this score, officials of the State Department of Education report that, with the exception of the New Bedford Model Cities Administration, model cities agencies in Massachusetts are not taking full advantage of these federal and state aid possibilities.

APPENDIX A

BIBLIOGRAPHY OF 30 MAJOR REPORTS BY LEGISLATIVE RESEARCH
COUNCIL RELATIVE TO URBAN PROBLEMS, 1956 - 68.

Reports marked with an asterisk (*) are out of print, and hence copies are available on a loan basis only. The reports not so marked are in stock. Requests for reports of either type should be addressed to the Director, Legislative Research Bureau, Room 236, State House, Boston, Mass., 02133.

Air and Water Resources

**Rights to Surface and Subsurface Water in Massachusetts.* Senate, No. 695 of 1957; 128 pp.

Air Pollution in the Metropolitan Boston Area. Senate, No. 495 of 1960; 52 pp.

Harbor Regulation. Senate, No. 1234 of 1965; 119 pp.

Water Shortage and Industrial Water Use and Reuse. Senate, No. 930 of 1966; 163 pp.

Business and Industrial Development

State Loans to Local Industrial Development Corporations. Senate, No. 640 of 1957; 38 pp.

State Loans to Local Industrial Development Commissions. House, No. 3023 of 1961; 39 pp.

**State Tax and Other Relief for Commuter Railroads.* Senate, No. 535 of 1961; 99 pp.

Industrial Development of Cities and Towns. Senate, No. 947 of 1965; 74 pp.

Underground Shopping Complexes. Senate, No. 971 of 1968; 53 pp.

The Promotion of the Port of Boston. House, No. 4852 of 1968; 60 pp.

Health and Safety Codes

Establishment of a Uniform Sanitary Code for the Commonwealth. House, No. 2833 of 1957; 44 pp.

**Protection of the Public During and After Severe Storms.* Senate, No. 630 of 1957; 52 pp.

State Building Construction and Demolition Codes. Senate, No. 461 of 1960; 49 pp.

Massachusetts Implementation of the National Highway Safety Act of 1966. Senate, No. 980 of 1968; 77 pp.

Housing and Urban Renewal

Liquidation of Federally Aided Housing Projects. House, No. 2815 of 1957; 22 pp.

- **Relating Massachusetts and Federal Public Housing Laws.* Senate, No. 451 of 1959; 66 pp.
- **Certain Land Aspects of Urban Renewal.* Senate, No. 465 of 1966; 50 pp.
Relocation Assistance for Persons and Firms Displaced by Public Action. House, No. 3495 of 1962; 42 pp.
- Certain Delays and Costs Connected With Urban Renewal.* Senate, No. 710 of 1963; 39 pp.
- Involvement of Hospitals and Educational Institutions in Urban Renewal Programs.* Senate, No. 729 of 1963; 50 pp.

Local and Regional Government

- **Organization and Apportionment of Expenses of Suffolk County.* House, No. 3030 of 1958; 48 pp.
- **Municipal Home Rule.* Senate, No. 580 of 1961; 160 pp.
County Government in Massachusetts. House, No. 3131 of 1962; 167 pp.
- State Compliance with Proposals of Federal Advisory Commission on Intergovernmental Relations.* Senate, No. 860 of 1964; 82 pp.
- Municipal Home Rule.* Senate, No. 950 of 1965; 135 pp. (Up-dates Senate, No. 850 of 1961 above).

Planning and Zoning

- **Minimization of Damage from Hurricanes and Other Natural Disasters.* House, No. 2727 of 1956; 69 pp.
- **The Establishment of Historic Districts Within the Commonwealth.* House, No. 2953 of 1957; 44 pp.
Local Zoning and Partial Takings under Eminent Domain. House, No. 3657 of 1962; 69 pp.
- A Historic Preservation Program for Cities and Towns.* Senate, No. 691 of 1966; 72 pp.
- Restricting the Zoning Power to City and County Governments.* Senate, No. 1133 of 1968; 196 pp.

APPENDIX B

MODEL STATE LAW PROPOSED BY
U. S. ADVISORY COMMISSION ON GOVERNMENTAL RELATIONS RE
NEIGHBORHOOD SUB-UNITS OF GOVERNMENT

Suggested Legislation 1

[Title should conform to state requirements. The following is a suggestion: AN ACT TO AUTHORIZE CITIES AND COUNTIES TO ESTABLISH NEIGHBORHOOD SERVICE AREAS TO ADVISE, UNDERTAKE, AND FINANCE CERTAIN GOVERNMENTAL SERVICES.]

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section 1. Purpose. It is the purpose of this act to encourage citizen involvement in government at the neighborhood level in urban areas by permitting limited self-government through the establishment of neighborhood council as legal entities of the city or county government.

Section 2. Definitions. As used herein:

- (1) "Metropolitan area" means an area designated as a "standard metropolitan statistical area" by the U. S. Bureau of the Census.²
- (2) "City" means any municipality of more than [50,000] population, as determined by the latest official census, located within a metropolitan area.
- (3) "County" means any county located, in whole or in part, within a metropolitan area.
- (4) "Neighborhood service area" means an area within a city or county, located within a metropolitan area, with limited powers of taxation and local self-government.
- (5) "Council" means a neighborhood area council created by section 8 of this act to govern a neighborhood service area.

Section 3. Establishment of Neighborhood Service Areas. The [governing body] of any city or county located within a metropolitan area may establish within its borders one or more neighborhood service areas to provide and finance those governmental services or functions that the city or county is otherwise authorized to undertake, notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the city of county.¹

¹ U. S. Advisory Commission on Intergovernmental Relations, *ACIR State Legislative Program — New Proposals For 1969*, M-39, Washington, D. C., June 1968, 125pp. At pp. 803-1 through 803-5.

² Particular states may find it necessary for constitutional reasons, or otherwise desirable, to apply a somewhat different definition, tailored to their special circumstances.

Section 4. Creation By Petition. (a) A petition signed by [] percent of the [qualified voters] [residents] within any portion of a city or county may be submitted to the city [governing body] or county [governing body] requesting the establishment of a neighborhood service area to provide any service or services which the city or county is otherwise authorized by law to provide. The petition shall describe the territorial boundaries of the proposed service area and shall specify the services to be provided.

(b) Upon receipt of the petition and verification of the signatures thereon, the city [governing body] or county [governing body], within [30] days following verification, shall hold a public hearing on the question of whether or not the requested neighborhood service area shall be established.

(c) Within [30] days following the public hearing, the city [governing body] or county [governing body], by resolution shall approve or disapprove the establishment of the requested neighborhood service area. A hearing may be adjourned from time to time, but shall be completed within [60] days of its commencement.

(d) A resolution approving the creation of the neighborhood service area may contain amendments or modifications of the area's boundaries or functions as set forth in the petition.

Section 5. Boundary Changes of a Neighborhood Service Area. The city [governing body] or county [governing body], pursuant to a request from the council, or pursuant to a petition signed by at least [] percent of the qualified voters living within the neighborhood service area, may enlarge, diminish, or otherwise alter the boundaries of any existing neighborhood service area following the procedures set forth in section 4 (b), (c), and (d).

Section 6. Considerations in Setting Boundaries. In establishing neighborhood service area boundaries and determining those services to be undertaken by the neighborhood area council, the city [governing body] or the county [governing body] shall study and take into consideration the following:

(1) The extent to which the area constitutes a neighborhood with common concerns and a capacity for local neighborhood initiative, leadership, and decision-making with respect to city or county government;

(2) City or county departmental and agency authority and resources over functions that may be either transferred or shared with the council;

(3) Population density, distribution, and growth within a neighborhood service area to assure that its boundaries reflect the most effective territory for local participation and control;

(4) Citizen accessibility to, controllability of, and participation in neighborhood service area activities and functions; and

(5) Such other matters as might affect the establishment of boundaries and services which would provide for more meaningful citizen participation in city or county government.

¹ If a service is to be financed wholly or partly from property tax revenues, some states may have to amend constitutional provisions which require uniform tax rates within a city or county.

Section 7. Dissolution of Neighborhood Service Area. (a) A city [governing body] or county [governing body], after public hearing, may dissolve a neighborhood service area on its own initiative or pursuant to a petition signed by at least [] percent of the qualified voters living within the neighborhood service area.

(b) The city [governing body] shall give notice of a public hearing in [] newspapers of general circulation in the neighborhood service area of its intention to hold a public hearing on a proposed dissolution, the notice to be given not less than [14] days before the date at the public hearing.

Section 8. Election of Council; Vacancies. (a) The council shall consist of [five to nine] members. The term of office of each member shall be [four] years, and members shall serve until their successors are elected and qualified.

(b) The council members shall be elected at large by the voters of the neighborhood service area at the time as provided by law for holding general elections. Members shall be residents of the neighborhood service area who are qualified to vote in elections for local government officials.

(c) A vacancy shall be filled by the [council] [city (governing body) or county (governing body)]. Members so appointed shall serve for the remainder of the unexpired term.

Section 9. Council Powers and Functions. A council may exercise any powers and perform any functions within the neighborhood service area authorized by the city [governing body] or county [governing body], which may include but not be limited to:

(1) Advisory or delegated substantive authority, or both, with respect to such programs as the community action program; urban renewal, relocation, public housing, planning and zoning actions, and other physical development programs; crime prevention and juvenile delinquency programs; health services; code inspection; recreation; education; and manpower training;

(2) Self-help projects, such as supplemental refuse collection, beautification, minor street and sidewalk repair, establishment and maintenance of neighborhood community centers, street fairs and festivals, cultural activities, recreation, and housing rehabilitation and sale;

(3) Budget and finance authority, subject to city or county audit, to accept funds from public and private sources, including public subscriptions, and to expend monies to meet overhead costs of council administration and support for self-help projects; and authority to raise revenue for special services by adoption of a uniform annual levy, not to exceed [five (5)] dollars, on each [resident] [head of household] of the neighborhood service area.

Section 10. Compensation; Meetings; By-Laws; Quorum. (a) Members of a council shall receive no compensation but may receive reimbursement of actual and necessary travel and other expenses incurred in the performance of official duties, up to a maximum of [] dollars in any one calendar year.

(b) All meetings of a council shall be open to the public.

(c) A council shall adopt by-laws providing for the conduct of its business and the selection of a presiding officer and other officers.

(d) A majority of the members of a council shall constitute a quorum for the transaction of business. Each member shall have one vote.

Section 11. Staff. The council may employ staff and consult and retain experts as it deems necessary.

Section 12. Annual Report. The council shall make an annual report of its activities to the city or county.

Section 13. Separability. [Insert separability clause.]

Section 14. Effective Date. [Insert effective date.]

APPENDIX C

CONSTRUCTION INDUSTRY DISCRIMINATION PROBLEMS IN
BOSTON AREA, 1969

*Remarks by Mrs. Erna Ballantine, Chairman,
Massachusetts Commission Against Discrimination, to Massachusetts
Advisory Committee to U.S. Civil Rights Commission, June 26, 1969*¹

I am Mrs. Erna Ballantine, Chairman of the Massachusetts Commission Against Discrimination, the state agency charged with the responsibility of enforcing the anti-discrimination laws of the Commonwealth.

I am particularly pleased to have this opportunity to discuss the problems of discrimination as they affect the construction industry since they have been of deep concern to my agency.

During the past day-and-a-half, you have heard testimony from a number of impressive speakers from management, labor and the community noted for their involvement in this area.

While I claim no expertise that is equal to that of many of the speakers in the field of labor law and economics, as an Investigating Commissioner on more than 50 cases of individually filed complaints during the past two years involving the construction industry, I have gained much insight and awareness of the prevalence of discrimination found in this industry in the Boston area.

Boston's experience in this field is unique, evidenced by the large proportion of Federal funds allocated to this area for pilot programs concerning the rehabilitation of sub-standard housing and the resulting experiences of the minority group workers whose communities were affected by construction and re-construction work.

An examination of the Boston construction-labor market by the publication *Engineering News-Record* this Spring cited the critical labor shortage which exists in the Boston area. Manpower shortages running as high as 50 percent were noted by the journal in the carpentry, masonry and bricklaying trades. Similar deficiencies were pointed to in the steamfitting, ironworking, plastering, sheet metal and welding occupations. Among electrical workers, vacancies exceeded 50 percent. In its report, the *Engineering News-Record* concluded "the lack of integration of minority group workers largely due to union resistance, is another contributing factor to this labor shortage."

It is apparent that a significant number of job opportunities does exist — that the failure of organized labor to provide contractors with qualified non-white tradesmen is indeed causing the tax-burdened citizens of the Commonwealth to shoulder increased costs.

We hear repeatedly from the uninformed or misinformed, concerning the Black or Spanish-surnamed man who is available for work in this field, such

¹ At public hearing held in Room 304, Federal Post Office and Courthouse Building, Devonshire St., Boston, Mass.

statements as "Send me a black man who is qualified . . . I just can't find any." Or, "I don't discriminate, I'll hire any qualified man who comes in." Or "Any 'qualified colored man' who wants to can become a member of the union; all he has to do is apply."

On the face of it, it would appear that no Black or Spanish-surnamed men with skills are available since so few Blacks or Puerto Ricans have union membership.

One employer alone in the Boston Urban Rehabilitation Program was able to hire *several hundred* Black men from the community area being rehabilitated. These Black men filled positions ranging from laborer to electrician and included such skills as dry-wall men, carpenters and roofers. There were difficulties encountered on that job. Some 40 complaints were received by the Commission from both Black and White workers alike charging the employer with discrimination in lay-offs and conditions of employment.

It took more than 50 meetings involving management, workers, community action groups and Federal officials before these problems could be resolved. In spite of these difficulties, work resulted in true compliance with an effective affirmative action program by the Massachusetts Commission Against Discrimination . . . one of two in the Boston Area in the past few years.

But, what of the unions? This prime contractor was non-union and as such was able to comply with the proposal that, whenever possible, community labor be hired to work in the area of the project. There were union subcontractors working on the job. Did the union business agents come to the work site to allow these skilled Black men to join their locals after they had been on the job for seven days? (This being the common procedure when a contractor who has a union agreement employs non-union labor.) The fact is that the contractor was told informally that the unions would permit the men to work on the job but that they were not to be asked to join the local. However, the contractor *was* required to pay health and welfare costs to the union, even though the men could never qualify for those benefits. You can draw your own conclusions from these peculiar circumstances.

This panel is interested in the effectiveness of the contract compliance efforts on the part of the Federal agencies. With few exceptions, the Massachusetts Commission Against Discrimination has received no assistance or cooperation from the Federal authorities. Indeed, my staff finds it difficult to determine who these people are and what type of work they perform.

In December, 1968, the Commission called together representatives of the community and the Federal agencies to meet for the purpose of determining how a more effective program of contract compliance could be developed. The meeting was called at the request of the Commission's Compliance Division since it was obvious that major problems existed over which it had no legal authority to act upon.

The meeting *was not* productive! There was no meaningful compliance being attained since there was the ever present recitation of the problems the community groups faced when trying to deal with the contract compliance officers.

In fact, the representative from the Department of Labor, who was responsible for having achieved the most effective compliance job having yet

to be accomplished in the Boston Area, found himself re-organized from his job! I would suggest that his efforts to become more effective, resulted in his removal from the position he held with the Labor Department in the Boston Area.

It should be recognized that until the names, organizational responsibilities and lines of authority of the Federal contract compliance personnel for the various agencies are defined, equal employment opportunity in the construction industry in the Boston Area can not be achieved! In addition, once these men and their duties are identified, then they must formally adopt a meaningful interpretation of what constitutes a valid affirmative action program under Executive Order #11246.

Also, these men must be given the power to impose the necessary sanctions to enforce the contractors' commitment to an effective affirmative action program . . . subject, of course, to an appeals procedure. When, and only when, the Federal government provides sufficient staff and authority to that compliance staff, can there be a meaningful beginning towards the effective enforcement of current Federal laws.

Due to an increase in my Commission's budget this past year, a Compliance Division was formed to handle contract compliance with those doing business with the Commonwealth as well as to insure compliance with final orders and terms of conciliation as directed by the Commissioners.

Presently, we are guided by Chapter 151B of the General Laws and a "Governor's Code of Fair Practices" — an executive order issued in 1966.

Shortly after Governor Sargent took office, his Secretary of Urban Affairs, Albert Kramer, in conjunction with members of my staff, began a re-examination of this Executive Order. It was concluded that a complete revision of the *Governor's Code* should be undertaken in order to give it more teeth and make it more relevant to existing problems.

The present code merely calls for non-discrimination in employment. In our re-examination, we are *exploring* changes such as a mandatory affirmative action commitment on the part of all contractors.

The Governor's office has demonstrated its firm commitment towards the expansion of the Code which will lead towards insuring equal employment for all of the Commonwealth's citizenry.

Our Compliance and Affirmative Action Divisions enlist the support and cooperation of firms and unions in achieving meaningful employment opportunities for minority-groups. This passive role must be replaced by a more aggressive one which will permit my agency to be more effective in its law enforcement function.

While the Massachusetts Commission Against Discrimination is searching to make present laws more relevant to today's problems, it has not been idle or passive in enforcing the current laws. It has become apparent that the number of complaints filed on an individual basis against contractors or unions representing the building trades do not truly reflect the scope of the problem . . . the discrimination against Blacks and Puerto Ricans in this industry.

In cases dealing with a single man, single contractor or single local union, effectiveness is minimal. To correct this problem, we must make a concerted effort to break the pattern of discrimination which exists in Boston

today. Given the information of alleged discriminatory practices in the building trades industry, gathered by this agency, the Massachusetts Commission Against Discrimination *has reason to believe* that there exists a pattern of both overt and covert discrimination in this industry. As a result of this information, several months ago, the Commission voted to initiate approximately 250 complaints against five of the largest building construction firms in the Boston Area and 25 union locals. These complaints involve the following trades: Asbestos workers; Bricklayers and Stone Masons; Carpenters; Cement Masons and Asphalt Layers; International Brotherhood of Electrical Workers; Elevator Constructor Union; International Union of Operating Engineers; Laborers International Union of Structural and Ornamental Iron Workers; Bridge and Structural Iron Workers; Marble Setter and Tile Layer Helpers Union; Wood, Wire and Leathers Workers Union; Printers Union; Operative Plasterers; Plumbers and Gas Fitters Union; Roofers Union; Sheet Metal Workers Union; Pipefitters Union; Sprinkler Fitter and Apprentices Union; Tile Layers Union; and the Teamsters, Chauffeurs, Warehousemen and Helpers Union.

The respondent construction firms involved include: Alberthaw Construction Co.; Gilbane Construction Corp.; Turner Construction Co.; Perini Construction Co.; and Volpe Construction Co. Others are currently being processed.

I would like to point out that while the Commission has indeed initiated charges against these firms and local unions, based upon information which has been brought to its attention and its conclusion that there is reason to believe that discrimination may be present, this does not constitute a "guilty" finding against these respondents. Findings of "Probable cause" are based on the data gathered during investigation and after conferences are held by the Commission.

I should note further because of the strict requirements concerning Adjudicatory procedures the Commission is not at liberty to comment on any substantive issues or information until the complaint is brought to the Public Hearing stage.

In addition, an Investigating Commissioner already has certified one case for Public Hearing on an individually filed complaint against one union local in the building trades inasmuch as efforts of conciliation have failed.

The investigation of these allegations against the unions and firms will be focused upon the patterns of discrimination which are alleged to exist. The investigators will continue to examine journeyman and apprenticeship requirements to ascertain that they are job related and do not have a disparate effect which is discriminatory. All aspects of the building trades' employment practices will be so examined to determine whether there has or does exist disparate treatment or result in a disparate discriminatory effect upon minority-group construction workers.

Let me assure this panel that the Massachusetts Commission Against Discrimination, Commissioners and staff alike, will continue to endeavor to cooperate fully with Federal and local anti-discrimination officials, so that government . . . together with those interested representatives of business and labor can work with the minority-group community in resolving the most

burning problems facing Boston, the Commonwealth and the nation, that of insuring truly employment opportunities for all people.

It should be obvious to every serious-thinking American who is familiar with the *Kerner Commission Report* or who works alongside Black or Spanish surnamed men from the local communities that if the current racist policy present in certain segments of our society are not eliminated, and these people are not able to participate in the building of their communities, then pent-up frustrations will most certainly result in a "black-lash" which can only tear away the foundations of our society.

Thank you.

APPENDIX D

URBAN HOUSING AND MODEL CITIES AGREEMENT FOR BOSTON
AND CAMBRIDGE NEGOTIATED BETWEEN BUILDING AND
CONSTRUCTION TRADES UNIONS, CONTRACTORS
AND EMPLOYERS IN 1968¹

I.

The Building and Construction Trades Council in conjunction with the Associated General Contractors of Massachusetts and the Building Trades Employers' Association of Eastern Massachusetts have entered into the following agreement for the purpose of establishing an affirmative action program for urban housing and model cities.

This agreement shall be binding upon all unions of the Building and Construction Trades Council of Boston and all contractor members of the A.G.C., B.T.E.A., and Participating Specialty Contractors Employers Associations and other Employers or Unions that may sign said agreement.

Committees:

There shall be two committees for the purpose of implementing this agreement.

1. The Administrative Committee shall be comprised of two representatives of the Building Trades Council and one representative of the A.G.C. and one representative of the B.T.E.A., parties to this agreement. Its duties shall be to see that this affirmative action program is carried out and shall act in an advisory capacity to the Operations Committee. It may enter into contracts with individuals and community organizations for the purpose of recruiting, counseling and orientation and shall be empowered to make necessary changes in the best interest of the program.

2. The Operations Committee shall be comprised of two representatives of the Building and Construction Trades Council, one representative of the A.G.C., one representative of the B.T.E.A. or the Participating Specialty Contractors and two representatives of the minority community. This committee shall determine the experience equivalency of each applicant in conjunction with the joint apprenticeship committee of each respective craft or the group which customarily makes such determination. The committee shall be responsible for the orientation to construction and safety procedures on the projects for the Trainees and Advanced Journeymen Trainees.

II. *Scope of Work*

This agreement shall apply to the rehabilitation work on residential structures in urban areas involving the use of governmental funds, in whole or part, or governmental guarantees, subsidies or low interest, in demolition, repair, alterations and rehabilitation operations. This agreement shall also apply to new construction of low-cost housing, up to and including four

¹ "This agreement is also referred to loosely as "The Boston Labor Agreement," The Boston-Cambridge Model Cities Agreement" and the "Model City Agreement" in press dispatches and other sources.

stories, involving financial support of governments. This agreement may also be applied to other specific projects in Model Cities Areas and contiguous urban renewal areas by mutual agreement of the parties.

III. *Employment of Residents of the Area*

1. The program shall recruit residents in the areas under development that are fully qualified mechanics or laborers, those with construction work experience but not with the qualifications to be journeymen, and residents without construction experience.

a. *Fully qualified mechanics or laborers*

If residents of the area are fully qualified they shall be paid the laborers or mechanics wage rate and fringe benefits as provided in the collective bargaining agreements between the employers and the affiliated unions of the Building and Construction Trades Council and be available for full union membership. If they are not so qualified they shall be designated as Advanced Journeymen Trainees or Trainees.

b. *Advanced Journeymen Trainees*

Those with construction work experience but not with the qualifications to be mechanics or laborers will be designated as Advanced Journeymen Trainees and shall be given preference over trainees in employment opportunities. Such Advanced Journeymen Trainees shall be employed at wage scales and fringe benefits equivalent to those paid apprentices in the collective bargaining agreements between employers and the affiliated unions of the Building and Construction Trades Council for the applicable skilled trade, or at a wage classification of a trade depending upon the performance of the Advanced Journeyman Trainee. The end goal of the Advanced Journeyman Trainee program is to develop fully qualified and competent craft union Journeymen.

c. *Trainees*

Those without construction experience will be designated as Trainees. Such Trainees shall receive not less than the starting apprentice rate for the craft to which he is assigned. The Operations Committee shall review this rate periodically in the light of change in the collective bargaining agreements.

2. Those applicants that meet the Apprenticeship Standards of a trade of his choice shall be assigned to an out-reach program to be established under this agreement.

Those applicants that are over the age of apprenticeship shall be designated as Trainees or Advanced Journeymen Trainees. The ratio of Trainees and Advanced Journeymen Trainees per Journeyman shall be uniform among the crafts and shall be one Trainee or Advanced Journeyman Trainee to four Journeymen of an individual craft. Where Journeymen residents of the area are not available to a particular craft the ratio for that craft shall be adjusted to one Trainee or Advanced Journeyman Trainee to three Journeymen.

3. Procedures for preliminary training before on-site work, including orientation to construction and safety, will be on an individual counseling basis.

4. Additional instruction and basic education may be provided for such residents of the area as may benefit from such instruction as is provided by the contracting agency, local union and participating contractor association and where possible by the government manpower program.

5. Advanced Journeymen Trainees or Trainees shall be assigned by the Operations Committee to on-site work with a particular craft after consultation with the Trainee. No person shall be employed as an Advanced Journeyman Trainee or as a Trainee who has not been so assigned by the Operations Committee. Trainees shall hold such classification for no longer than six months after which they shall be assigned as an Advanced Journeyman Trainee provided they can demonstrate qualifications. Trainees and Advanced Journeymen Trainees who meet the qualifications shall move up the wage steps of the scale to the time intervals prescribed in the scale. Nothing herein shall preclude earlier advancement if qualification be demonstrated. On-site training time shall be comparable to that of the individual craft apprenticeship programs.

6. The determination of the size of the work force, the allocation of work to employees, establishment of quality standards and judgment of workmanship required, and the maintenance of discipline shall be the responsibility of the employing general or specialty contractor.

IV. *Economic Conditions*

The wage rates, overtime rates and fringes specified in this agreement as applicable for rehabilitation and construction work within the scope of this agreement for Trainees and Advanced Journeyman Trainees shall be reported by the Administrative Committee to the David-Bacon Division of the U.S. Department of Labor and submitted for approval as the applicable predetermined wages and fringes for Trainees and Advanced Journeymen Trainees on rehabilitation and construction work within the scope of this agreement.

V. *Jurisdiction*

Parties to this agreement shall follow the same jurisdictional pattern that now exists in the construction industry and shall be subject to the procedural rules of the Boston Local Board, the National Joint Board for the Settlement of Jurisdictional Disputes and the Appeals Board. However, in the interest of continuity of employment for Trainees they may be assigned to various work operations.

VI.

In advance of the start of each project, the responsible contractor, subcontractors and representatives of the Operations Committee and the affected unions are to meet to seek an understanding on the application of this article to the rehabilitation and construction work operations within the scope of this agreement that are planned.

VII. *Dispute Settlement Procedure and No-Strike, No Lockout.*

a. Any dispute arising over the administration of interpretations of this memorandum of agreement, including any controversy over V above or any complaint by a resident of the area over the administration of Article III,

shall be reviewed and every effort made to settle the matter at the work site or through the responsible officers of the local unions, Building Trades Council and local contractor associations in the metropolitan area and through the local joint Administrative Committee.

b. There shall be no strike or lockout over the terms of this agreement.

VIII. Operation of the Agreement and Duration.

This agreement shall be operative when signed by the contractor or builder for a specific project and the Administrative Committee. This agreement shall run from year to year from the date of this agreement and may be reopened by any party on ninety days written notice to the other parties.

a. This agreement may be extended for the duration of work on a specific project but not to exceed 18 months.

IX. Subcontracting.

Any contractors bound by this agreement shall notify each subcontractor of the provisions of this agreement and require any such subcontractor performing work within the scope of this agreement to conform to the provisions of this agreement. The historical subcontracting practices of the industry in the locality shall not be disturbed by this agreement.

*Signed August 16, 1968
Associated General Contractors
of Massachusetts, Inc.*

*Building and Construction Trades
Council of Boston and Vicinity*

*Building Trades Employers' Association
of Eastern Massachusetts, Inc.*

